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Allyn Abbott Young

Address by Sir William Beveridge, at Memorial Service, in the Church of St. Clement Danes, 11th March, 1929

Death comes in many ways. Sometimes it is a longed-for setting free from pain. Sometimes neither sought nor feared it comes to those who have played out their parts, comes gently as they sit and watch—or smiling do not watch—the new players on the stage. Sometimes it cuts short promise unfulfilled, uncertain. Now and again it strikes one who in the fulness of proved strength is bearing his share and more of life's varied burdens. Such as this last is the death that we lament to-day. We mourn one who till five days ago was the sole stay of his home, a main pillar of our School, a builder of science and of understanding among nations.

Allyn Abbott Young from earliest manhood found one call after another pressed on him for help. As to the kind of work that he would do, he never really wavered; the life of thought and teaching and help to the coming generations was his by deepest nature. The University of Wisconsin, fine home of free traditions, made him an economist. Three great Universities in his own land he then served in turn—Stamford, Cornell, Harvard. Before he went to the last of these he had been called on for public work of first importance, in the Great War and after. At the end of his seven years at Harvard he held a position of enormous influence; the economic faculties of America were filled with men who had learned to venerate him as students; his fellow economists in all the world looked on him as a leader. When in London two or three years ago the time came to find a successor to Edwin Cannan, and fill the gap left by withdrawal of an influence and inspiration of thirty years, our thoughts went easily to Allyn Young. When we knew that he, who had the choice of Universities in his own land, who already held the best that it could offer, was ready to come to us,

that he thought it an honour to be asked, we felt that a turning point had been reached in our own history, a milestone of progress and recognition passed.

What were the secrets of this power and fame of Allyn Young? Great mental gifts he had, but so have others who never make their mark. Vast and varied learning he had, but so have many in whom learning dies. Moving and impressive speech he had, but this is a trick that most can learn. Of the arts by which men commonly seek success he had none. He did not seek success. What brought it to him in abundance?

First, was the high standard of scientific work that he set for himself as for others. He was at once the kindest of men and the severest of judges. He did not hasten himself to pour out books; he would not write till he was ready. One element in our tragedy to-day is that now at last at 52 years of age he had felt himself ready, and had all his plans for two great works on monetary and economic theory. These would have been the rich harvest of the coming years.

Second, he was by taste a great teacher, interested in young minds, able to make them share his own sense of the high issues involved in what they studied with him, believing and making them believe in the importance and the possibility of finding truth.

Third, there was in him a total lack of certain things which the gods do not always remember to leave out when they mix god-like reason with human clay. He had no envy, jealousy, or harshness; of sarcasm, cynicism or flippancy he was incapable. Sensitive he was, but with the sensitiveness not of vanity but of most genuine diffidence. He was ever the last person, not the first, to be persuaded of his own successes; to me it will be a delight to remember how in the latest talk we had together, he spoke of happiness in his work in London, and admitted at last his feeling that it was going well.

Just eighteen months ago, Allyn Young came here—the first of his countrymen to hold a full professorial post in London. He came to us promised for three years; we were gladly bound to him for life if he would stay. That was not to be in any case. He was too faithful a son of America and of Harvard; only two weeks ago he told me that he had declined a superbly generous offer elsewhere, but that we must not count on him for London. He was a faithful son of America. He was also a good citizen of the world; he gave long hours and anxious thought to its economic reconstruction. No man more certainly made one feel that he and all wise men were one universal brotherhood. No man could have

slipped more swiftly and unobtrusively into our company and our hearts. He made the world his home, because he carried everywhere the faithfulness and gentleness, the readiness to take new burdens, which marked his private life.

Allyn Young—deliberate, poised, wise, tender, firm of purpose—Allyn Young is taken from us. He was a man of whom his home, our School, his science, the whole world and the cause of human understanding had need. He is taken and we are left groping, bewildered under the varied burdens that his broad shoulders bore, impoverished by his loss. Yet life goes on, and all his burdens must be taken up. Impoverished by his loss, how much poorer in facing the future should we be, if we had never known him, never learned from him how simple and gentle is greatness, how compelling a mistress is science, how power and affection come to those who seek only service.

Labour Problems in Two Worlds

By Lilian M. Friedlander.

" The U.S.A. is a world in miniature. . . . We have before us, in the unification and codification of our national labor laws, a problem quite similar to the one which the International Labor Organisation has undertaken to solve."—Paul Périgord.

The history of factory legislation is essentially empirical. Over a hundred years of experiment have taken place in this politico-economic field, and gradually the idea has been accepted that minimum standards in the conditions of employment should be laid down by the community and secured by law to its citizens. The movement began in Great Britain, and it began here, as it has everywhere begun, in the effort to protect the children.

In 1796 Dr. Thomas Percival and his colleagues in Manchester analysed the evils of overwork and overcrowding in the new large cotton factories, and proposed that parliamentary aid should be given " to establish a general system of laws for the wise, humane and equal government of all such works."[1] Nevertheless, Sir Robert Peel's Act of 1802 (Health and Morals of Apprentices Act) was, as its title would indicate, rather an extension of the old Poor Law than a deliberate incursion into the sphere of industrial control.

Yet within thirty years from this date we can find the beginnings, mostly unconscious, of many characteristic tendencies and achievements of the following century. In 1818, for instance, Robert Owen, the practical visionary of factory reform, circulated to the gathering of allied diplomats at Aix-la-Chapelle a memorial in which he drew their attention to the vital need for fixing internationally the legal limits of the normal working day for the industrial classes of Europe.[2] This, in a world that had not yet invented railways or telegraphs, and which was, according to most economic historians, only in the opening stage of its " industrial revolution "! Meanwhile, at home, by personal example in his mills and by agitation, Owen gave invaluable aid to the movement for factory legislation; and the Act of 1819 set up a useful standard in declaring a minimum age-limit of nine years for the

[1] Hutchins and Harrison: *History of Factory Legislation*, p. 11.
[2] B. Ellsworth Lowe: *International Protection of Labor*, p. 11.

employment of children, though " as a regulation it was highly inadequate."[1]

Again, it is interesting to note that in 1825 a Committee of the legislature in Massachusetts, U.S.A., recommended the enactment of a child labour law for that state—the first such law proposed in the United States ; the proposal was, however, defeated.[2] In Britain the year 1833 saw the appointment of four itinerant factory inspectors—the small but highly significant beginning of modern centralised administration controlling the forces of industry. The principle thus evolved in a typically British " ad hoc " fashion has spread in a quite remarkable manner throughout the Old World and the New, and is to-day accepted in countries of the Far East of which early nineteenth-century Britain had scarcely heard.

For historical purposes the nineteenth century may be said to have ended in 1914 with the outbreak of the Great War. The New World came into the fight to " redress the balance of the Old," and at the close of that vast struggle between highly industrialised modern States, a Peace Conference met in Paris to settle the political and economic problems of half a world, much as Vienna of 1815 had settled the affairs of Europe alone.

No need for a twentieth-century Robert Owen to plead the cause of the factory workers before the assembled diplomats at Paris. A century of machine production, and a world struggle for markets ; the inevitable and growing technical co-operation between governments—evidenced, for example, in the Universal Postal Union or the International Telegraphic Federation ; the rise of organised labour, grouped by craft, trade or locality, consolidated into national associations of great strength, and forming its own international unions, whether Trade Union, Socialist, or Communist—all these were powerful factors in the world of 1919 which the Peace Conference set out to rebuild.

Even before the war, there had been a handful of international labour conferences, varying in tone from the purely voluntary to the semi-official and diplomatic. Governments had met for the discussion of labour problems for the first time in 1890 in Berlin, and had voted for many fine-sounding resolutions that led to no practical reforms. The International Association for Labour Legislation, founded in 1900 and with its central statistical office in Basle, had even been able to organise periodic conferences,

[1] Hutchins and Harrison, op. cit., p. 26.

[2] *Industrial and Labour Information*, published by the International Labour Office, Geneva, vol. xiii, p. 423.

technical and diplomatic, upon the more urgent questions in the international labour field. At Berne in 1906 it was possible to draw up a Convention forbidding the use of white phosphorus in the manufacture of matches, and by 1914 this had been ratified and enforced by the governments of nine States (counting the British Empire as a unit). Similarly, in 1912-13, attempts had been made on an international scale to check the employment of women in night work, and to lay down minimum standards for the employment of children in factories.[1] During the war, labour movements in all countries, whether belligerent or neutral, had expressed their determination to achieve both representation at the peace conference and a treaty which should include international action on industrial questions. The International Federation of Trade Unions—to which the organised labour movement in the United States had never affiliated—held a meeting in January, 1919, and the charter of minimum rights which it drew up served both as a warning and a guide to the Peace Conference. Revolution was in the air, and the statesmen feared that any day the tide of Bolshevism might sweep in from the east.

It is, therefore, not surprising that at its first plenary meeting the Peace Conference should have set up a Commission on International Labour Legislation, " to enquire into the conditions of employment from the international aspect, and to consider the international means necessary to secure common action on matters affecting conditions of employment."[2] On the Commission sat delegates from the five Big Powers and from four small States ; and its chairman, strangely enough, was Mr. Samuel Gompers, president of the American Federation of Labor.

The impact of the United States of America—or, to be correct, of the mind of Woodrow Wilson—on post-war European politics is marked. It is engraved in Part I of the various peace treaties, and embodied in the Palais des Nations at Geneva. The impact of America on the Commission on International Labour Legislation, in legal and economic thought, can be clearly traced in the Minutes of that Commission's thirty-five meetings and in the Convention (later becoming Part XIII of the Treaty of Versailles) which set up an international labour organisation and defined its rights and duties, and the general principles underlying its work. In this study we are chiefly interested in the problems created for the Commission by the complexities of American government,

[1] B. E. Lowe, op. cit., pp. 26-30 ; I. F. Ayusawa : *International Labor Legislation*, pp. 99-131 ; *Report III of the Organising Committee for the* 1919 *International Labour Conference*, pp. 45-63.

[2] *Official Bulletin of the International Labour Office*, Geneva, vol. i, p. 1.

and their reactions on the shape of the organisation in which America finally declined to take a part.

The Constitution of the U.S.A. is a political document which was elaborated in the eighteenth century and is to-day proving itself increasingly inadequate for the government of some 110 millions of people inhabiting an immense continent. In addition to the Federal Constitution, there are now forty-eight separate states, each having its own constitution, " self-governing " within fixed limits, but clearly, since the Civil War, not possessing full " sovereignty." There is a national government of three departments, and power is divided between the nation and the several states. But " limits are placed on the power both of the United States and of the states, for the protection of the individual. . . . The courts interpret and enforce every kind of these grants and limitations of power," and " the national government . . . has no authority to pass social or labour legislation except as ancillary to some interest within its constituted authority."[1] The police power is expressly reserved to the separate states, and this includes power to regulate industrial conditions. As a result there is " not one Labour Code in the United States but forty-eight Labour Codes, framed on no common or uniform plan."[2]

This was the situation which the American delegates on the Paris Commission tried to make clear to their European colleagues, who desired quite definitely to build an organisation which should have the form of an international labour parliament. Government delegates, together with representatives of employers and workers, would meet annually to discuss labour problems, and they would draft Conventions tending to set world standards in the conditions of employment. The British, in opposition to many continental delegates, held to the necessity of giving the government the legal right of refusal to ratify such conventions.

But, asked the Americans, what is the position of a Federal State, which for purposes of international action and the signature of treaties is a unity (although power in the U.S. is divided, in this respect, between president and senate) and for purposes of labour legislation is not an entity at all, but a congeries of forty-eight " self-governing " states ? The government of the United States, if a member of the international labour organisation, would be represented by officials from the federal Department of Labour ;

[1] W. Gorham Rice, jun., " The Constitutionality of Labor Legislation in the U.S.A.," in *International Labour Review*, vol. xiv, Nov.-Dec., 1926.

[2] H. B. Butler : " Industrial Relations in the United States," p. 10. For definition of the term " police power," see Commons and Andrews, *Principles of Labor Legislation*, revised edition, 1927, pp. 13-17.

it could clearly not send forty-eight separate delegates. Yet these federal officials would have no power by their approval, recommendation or action, to bind the separate states of the Union. The federal government might be held responsible for the non-enforcement of an international convention which it had ratified, because a number of states refused to take the necessary measures.[1] And always there loomed up the shadow of possible action by the Courts, declaring unconstitutional such federal or state labour legislation. Whether the Courts would, in fact, annul legislation passed in fulfilment of an international treaty is an unsolved problem in American constitutional law. No such case has yet occurred, and political scientists disagree as to the extent to which the treaty-making power of the Executive could be used to give Congress jurisdiction over matters hitherto reserved to the states.[2]

The Commission spent many hours, in plenary session and in the negotiations of a sub-committee, trying to steer a way out of the impasse created by American legal difficulties. The situation was often distinctly humorous. Mr. Robinson frequently had to read to the Commission a comprehensive study on the constitutional structure of the United States. Indeed, at an early stage of the debates, M. Vandervelde, of Belgium, pointed out that " the only radical solution of the difficulty was that of securing an alteration in the constitution of the U.S." And the decision of the Supreme Court declaring the first federal child labour act to be unconstitutional was quoted by his compatriot, Professor Mahaim, as clear proof of the anomalies of American law in regard to labour questions.[3] The American delegates proposed that the international labour conferences should work not only by means of conventions, but also by recommendations, " which would have results because of the moral force which they would be bound to possess." This, said M. Fontaine, was a return to the system of 1890, and was unthinkable in Europe.[4]

Finally, the Americans suggested, and the Commission accepted, a compromise which would allow the United States, and other federal states where a similar constitutional situation might exist, to treat a draft convention of the labour organisation as though it were merely a recommendation. This represented, of course, a " serious change in the substance of the scheme," but the exception extended only to federal states which are subject to limitations in respect of their treaty-making powers on labour matters,

[1] *Official Bulletin*, vol. i, pp. 92, 178.
[2] Cf. Quincy Wright: *The Treaty-making Power of the U.S.*, and others.
[3] *Official Bulletin*, vol. i, pp. 74, 86-92, 117-8, 157. [4] *Ibid.*, pp. 153-4.

and only in so far as these limitations applied.[1] "The delegates really modified the very nature of the organisation," says Mr. Périgord, "in the hope of better days, and divested it of all legislative authority in order to win the assent of the United States."[2]

The International Labour Organisation held its first Conference at Washington, D.C., in November, 1919, at a time when President Wilson was ill and the debates in the Senate were showing how strong was the opposition in America to the Treaty of Versailles. The United States Secretary for Labour presided over the Conference, but no American delegates took part in its deliberations. Among the practical results of the Conference was a Convention which fixed the age of fourteen as the minimum age for the employment of children in industry—a principle which was extended to shipping and agriculture in the Conferences of 1920 and 1921. These Conventions have now been ratified by a dozen or more of the chief industrial countries of the world, and the problem of child labour, which had just come into the international forum before the war, is now to some extent removed from the field of low competitive standards. The Senate of the United States, however, rejected the Treaty of Versailles, and the nation refused to co-operate officially in the League of Nations and the International Labour Organisation. The "world in miniature" and the world at large went their separate ways, and watched with interested and sympathetic eyes the problems which each of them encountered.

Meanwhile the difficulties of national and international labour legislation cropped up in not a few other quarters of the globe. Canada has found it necessary to submit to her Supreme Court the Conventions passed by the Conferences, in order to ascertain whether the subjects dealt with fall within Dominion or provincial jurisdiction. In some minor questions even Switzerland and Germany have recognised limitations on their federal powers. One eminent writer goes so far as to say of Australia that "it may fairly be doubted whether any united people in any epoch ever found its main rights in the economic and industrial field in such a state of incoherence as in Australia," where inter-state commerce is free, but conditions of labour are differently regulated according to the different laws of the states.[3] And yet in Australia there is a small and racially homogeneous population, and, on the whole, a high standard of living prevails in the six states which form the Commonwealth. From across the Pacific comes an

[1] *Ibid.*, p. 177. [2] P. Périgord: *The International Labor Organisation*, p. 224.
[3] A. B. Piddington: *The Next Step*, p. 38.

echo of Mr. Piddington's lament in the observations of Mr. H. B. Butler, deputy-director of the International Labour Office, during his visit to the United States in 1926. One of the objects of the Organisation, as he points out, is to prevent unfair competition; but in the States "competition of this kind appears to exist in the textile industry between one part of the country and another," between "the mills of the north, where conditions are good and regulated by the state, and the mills of the south, where labour is cheap and conditions are mainly determined by the employer."[1] Here is a case of forty-eight states, with widely different climatic and economic conditions, great racial contrasts, and often even diversity of tongues; regulation of labour under these circumstances is necessarily somewhere between incoherence and chaos.

While the International Labour Organisation works by means of annual conferences and draft international conventions, which try to set a world standard in some of the more urgent labour problems, the United States of America must use all possible constitutional devices to deal with an economic problem which in a unitary state could be solved by one act of the national legislature, enforced by national inspectors. In the last two decades, the United States, like other federal states, has shown a tendency towards the centralising of its administration, which emphasises the limiting nature of its constitution. State frontiers in the United States do not mean tariff barriers, as they do in Europe, but they remain political lines cutting across an economic world.[2]

We have seen that in 1825 Massachusetts had thought of a child labour law. A little less than a century later the federal government of the United States passed its first Child Labour Law, closing the avenues of inter-state commerce to all goods in the manufacture of which children under fourteen had been employed, or children between fourteen and sixteen had worked for more than 48 hours per week or in the night. The necessity for such action might be stated in words from the Preamble to Part XIII of the Treaty of Versailles, "the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries." Child workers in America cross state lines and thereby create problems analogous to the problems in international law which the Labour Organisation tries to solve. Investigations made by the Children's Bureau of the federal Department of Labour have proved how the conditions of child labour, the laws

[1] H. B. Butler, op. cit., pp. 15-16.
[2] Cf. Walter Thompson: *Federal Centralisation*.

and their effectiveness, differ from state to state ; children migrate, with their families, for seasonal occupations, or sometimes even live in one state and work in another.[1] It is difficult for any one state to improve its legislation and inspection, when its industries and its agriculture are competing in the home market with those of states where lower standards obtain. Since direct action was not possible to the federal government, it was only by closing inter-state commerce that Congress could attempt to achieve uniformity in child labour standards.

This Child Labour Act of 1916 was declared unconstitutional by a 5-4 decision of the Supreme Court in 1918, because, in the opinion of the majority, " to sustain this statute would sanction an invasion by the federal power of the control of a matter purely local in its character and over which no authority has been delegated to Congress."[2] A second attempt to check the evil of child labour on a national scale was made in 1919, when Congress used its taxing power to penalise the employers of children under the stated age-limits. The Supreme Court, although it had previously sustained prohibitive taxes designed to achieve social ends, in this case looked behind the form of the statute, and declared the so-called tax to be " a penalty to coerce people of a state to act as Congress wishes them to act in respect of a matter completely the business of the state government."[3] Once again, problems of constitutional law cut across the path of social progress, and the second federal Child Labour Law was annulled.

It was left for the federal government to enlarge its powers by an amendment to the Constitution. Accordingly, in June, 1924, large majorities in the House of Representatives and in the Senate passed an amendment giving Congress the power " to limit, regulate and prohibit the labour of persons under eighteen years of age." The voting showed that on the whole manufacturing and agricultural states were on different sides ; cotton, beet-sugar, and tobacco states have reason to dislike the idea of federal laws and federal inspectors for the employment of children.[4]

The amendment was put before the forty-eight states of the Union, and its acceptance by two-thirds of them is necessary before it can come into force. It has so far been ratified by the legislatures of five states, and rejected or postponed in most of the others ; some states have taken no action at all. Rejection of

[1] *Industrial and Labour Information*, xiv, 83, xvi, 93-4, xviii, 316. Cf. Julia E. Johnsen : *Child Labour*, especially pp. 284-5.
[2] *Hammer* v *Dagenhart*, 247 U.S. 251, quoted Gorham Rice, op. cit., p. 629.
[3] 259 U.S. 20, quoted Gorham Rice, op. cit., p. 631.
[4] *Industrial and Labour Information*, xi, 129-131.

the amendment, however, in no sense implies low standards of child protection in a state. The old jealousy of " states' rights " has been aroused ; and with it goes an often quite genuine and comprehensible doubt of the wisdom and the administrative possibilities of federal control. We are reminded of horror-struck speeches in the Assemblies of the League of Nations, or in the Conferences or Governing Body meetings of the International Labour Organisation, whenever the mere idea of a " super-state " is breathed, and a heretic is thought to have attacked the sacred rights of sovereignty.

There is, therefore, no likelihood in the near future of Congress obtaining the power to lay down national minimum standards for the protection of the children in the United States. There exists no constitutional device in the States which would correspond to the technique of the Labour Organisation—where a draft convention is voted by a two-thirds majority, and later brought before the national parliaments for ratification or rejection, such rejection needing to be justified before a world forum in which organised labour plays an official and a vociferous part. There is no half-way stage in the United States between the entire freedom now given to the separate states, and the enactment and enforcement of one federal law for the whole continent.

Meanwhile, the International Labour Organisation has held ten Conferences, to which its half a hundred Member-States regularly send their four delegates apiece—two representing the government, one for the employers and one for the workers. More than twenty international conventions have been passed, dealing with maritime, agricultural and industrial matters, ranging from social insurance to accident prevention, from hours of labour and the use of white lead in painting to unemployment and the inspection of emigrants. Ratifications of these conventions now number more than 300. By every means at its disposal—debate, publication, convention—the Organisation endeavours to raise the labour standards in the backward countries, to encourage progressive legislation in the more highly industrialised countries. The Organisation has been the champion of the child workers in the rug-workshops of Persia ; it has done all it could, without encroaching upon national sovereignty, to persuade China to protect by law the children in her factories, and it has watched with sympathy the efforts made in this same direction in the International Settlement in Shanghai ;[1] it has set standards for the employment of children which the government of India has now very

[1] See *Humanity and Labour in China*, by Adelaide Anderson.

largely enforced. Among the European countries its conventions, and the annual reports on their application which must be sent in by every State which ratifies them, guarantee at least an international minimum of protection to the children.

This analogy between the problems of the United States and the International Labour Organisation is interesting both for the contrasts and the comparisons it affords. Into the solution of those problems enter diverse factors, political, economic, juridical. In both cases, legal conceptions which are clearly out of date hinder or check social progress ; it has, indeed, been said that " law to-day rests on the political philosophy of yesterday and the legal philosophy of the day before yesterday."[1] In both cases, relics of the theory of sovereignty have strayed from the realms of pure political science into an economic field where they are more than ever meaningless and cumbersome. Professor Laski says : " It would be of lasting benefit to political science if the whole concept of sovereignty were surrendered."[2] The American states, and the States-Members of the League of Nations, each gave up a portion of their so-called sovereignty when they joined in the federal or the international association respectively. In political matters the American states have clearly only a limited authority ; in matters of economic and industrial law they still play with the idea of a sovereignty which in the world at large has already begun to give way before the pressure of post-war facts and ideology. Washington and Geneva both stand for a process of levelling *up*. It is being slowly recognised in the United States, as it has been recognised in Europe, that competition in the conditions of labour —between the states of the Union or between the nations which are members of the Labour Organisation—will, if unchecked, mean the triumph of the lowest standards ; it is as undesirable, and as potentially dangerous, as the competition in armaments.

The methods in constitutional law which the United States can use are paralleled by, but different from, the technique in international law evolved for the Labour Organisation. The question of child labour in the States shows most clearly the limitations of a constitution which was drawn up on the very eve of immense changes in the methods of production. These changes have created problems altogether outside the scope of eighteenth-century political thought, that to-day urgently need treatment on a national scale. The difficulties of amending written constitutions are proverbial ; in a vast federal state or an international association of

[1] J. S. Reeves : *La Communauté Internationale*, p. 39.
[2] Laski : *Grammar of Politics*, p. 44.

states they often seem insuperable. Radical minds in Washington and Geneva can have sympathy with one another on this point! The International Labour Organisation is more fortunate in that its "charter" was drawn up in recent times. Though its machinery may need adjusting to unforeseen developments in the economic world, the general principles which it seeks to enforce are stated—in the Preamble to Part XIII and in Article 427 of the Treaty of Versailles—in such excellently broad terms that its scope of action would seem to be sufficiently wide, and its efficacy to depend on the use of its machinery by men of goodwill and of *twentieth-century* political ideas.

The Domestic Servants of the Eighteenth Century

By D. Marshall.

In spite of the attention which has of late years been increasingly focussed on the eighteenth century, the history of the domestic servants of that period, although they composed a very considerable part of the labouring population of the country, has been comparatively neglected. Because their work is done of necessity under cover of the home, because they emerge only spasmodically into the public view, and because conditions vary so much from house to house, their history is perhaps more difficult to write than that of any other employment. Yet any social history of the century is incomplete without some account of its servants.

If we could examine the intimate documents of any age, we should probably find it had its own particular domestic problems, for the relationship of master and servant is never easy to solve with entire satisfaction to both. But in some ages these difficulties become intensified and find vocal expression. This was the case in the eighteenth century, the earlier part of which in particular was filled with complaints. Almost every medium of expression was used to give vent to the discontent which the age felt with its servants. The Press was full of letters; pamphlets were written; journalists like Swift and Defoe found in it a subject for their ready pens, and both have bitter things to say. The former's *Directions to Servants*, exaggerated and over-coloured though it undoubtedly is, has a very human and even familiar ring, though one knows no generation of servants can possibly have been as bad as he paints them. Novelists like Henry Fielding and Richardson found interest in the subject sufficient to justify their writing novels with a footman and a waiting maid as the hero and heroine respectively, both of which scored popular successes. Even the stage was pressed into service, and so shrewdly did Townley expose the servants of the age that his *High Life Below Stairs* occasioned a riot among the footmen in Edinburgh. On every side contemporary interest in the topic abounded.

These attacks on the servants of the age fall into two main divisions. One is the specific charge that they have forced wages up to a ridiculous height; the other is a general charge of insubordination, insolence, and luxury. Therefore one is forced to inquire how far both these accusations are true, and whether the eighteenth century was really particularly unfortunate in its servants. It may be that the servant problem, in its modern aspect, dated from these eighteenth-century controversies, or more possibly that its seeds were sown in Restoration England and that by the early part of the next century the crop had grown to maturity.

Defoe is chiefly responsible for the statement that wages had risen beyond all proportion in the early years of the century. In 1724 he wrote, "We find the wages of almost all sorts of servants doubled, and of some trebled," [1] and in another pamphlet he declared that "Women Servants are now so scarce, that from thirty to forty shillings a year, their Wages are increased of late to Six, seven, and eight Pounds per Annum and upwards; so that an ordinary Tradesman cannot well keep one." [2] In the past he claims that it had not been so, for about the year 1634 "The Wages of hir'd servants were from 30s. per Annum to 50s. for a Maid Servant . . . the Gentlemen had their serving men, or Footmen, to whom also they gave their Diet for 30s. to 40s. a year," [3] while Persons of Quality drew their Footmen from their tenants, who were content to serve for their liveries, a silver Rose Noble at Christmas, and the hope of the tenancy of a small farm when their period of serving was over. Complaints from other sources point to this contention being substantially true, at least in London, and the general trend of the evidence would seem to point to a steady advance in servants' wages throughout the century. Certainly by the latter half of the period servants were in many cases getting, as a matter of course, the wages which Defoe rails against as being an intolerable innovation. Grosley, speaking of English servants, declared that "their wages are very considerable," and added, "The reader may form a judgment of them, from those given by my landlord to a fat Welsh girl, who was just come out of the country, scarce understood a word of English, was capable of nothing but washing the rooms, sweeping, scowering, and had no inclination to learn anything more. The wages of this girl were six guineas a year, besides a

[1] *Behaviour of Servants*, D. Defoe, 1724, p. 14.
[2] *Everybody's Business is Nobody's Business*, D. Defoe, 1725, p. 4.
[3] *Behaviour of Servants*, D. Defoe, 1724, p. 53.

guinea a year for her tea, which all servant-maids either take in money, or have found for them twice a day. The wages of a cook-maid, who knows how to roast and boil, amount to twenty guineas a year." [1] Nearly fifty years before, when a housemaid who said she " could clean a house or dress a Common Family Dinner," [2] but who refused to do the washing or the rough scrubbing, demanded eight guineas for wages, Defoe felt that the insolence of servants had reached its limit. Yet his despairing prophecy that " I doubt not but they will bring their wages up to £20 per Annum in time," though he could hardly bring himself to believe it, was no more than the truth.

The rise in the wages of men servants was as considerable and as steady. It is an interesting point to notice what a very prominent part the footmen play in the eighteenth century. The circumstances of the times were such that every gentleman needed his own servant to dress his hair, to wait on him at table, and attend him through the streets at night. Therefore the proportion of men employed in domestic service was larger than it is to-day, for most families who could afford two servants would engage a footman to attend on the master of the house. The result was that the servant problem of the century was in many ways masculine rather than feminine. It was the gentlemen, whose footmen were getting out of hand, who wrote to the papers about the insubordination of servants. The maid may have been a domestic trouble, but she was never the public nuisance which the footman became. She did not swagger through the streets pushing people off the pavements ; she did not riot at Ranelagh or the play-house if the behaviour of her masters was displeasing. It was this power, which their numbers gave them, of making themselves objectionable, that focussed public opinion on them, and is responsible for the disproportionate amount of attention paid in the press to the London footman.

The evidence as to their actual wages is conflicting and not always very clear. According to Hanway in the earlier part of the century £5 was an average wage, but in 1760 he makes one footman say, " My wages are but £10," while in another letter, quoted from the *Gazette*, another states, " the last nine years I have lived with a gentleman in the middling station of life. . . . My wages for the first four years were £6 per year, and the other five at £7 per year." [3] Rather later than this a really efficient

[1] *A Tour to London*, P. J. Grosley, 1772, p. 75.
[2] *Everybody's Business is Nobody's Business*, D. Defoe, 1725, p. 17.
[3] *Advice of Thomas Trueman*, J. Hanway, 1760, p. 7.

servant, who could dress hair, was receiving more considerable wages than these. John Macdonald often recorded his wages in his diary and these never sank as low as £10. In one place he says, " I was hired for twenty guineas a year and two suits of clothes : they told me they did not want me to wear a livery." [1] Another master was less generous and " agreed with me for fifteen guineas a year." Here, however, he got not only two suits of clothes, but his new master gave him " twelve pairs of silk stockings in a parcel to wear," and said, " I like my servants to go genteelly." In another place he got seventeen guineas a year, his livery, and two additional guineas to buy tea. When he was engaged by temporary masters he was paid by the week and received Board Wages. In such cases his total wage was usually fifteen shillings a week, and when travelling his master, so he records, allowed him " one shilling per day more for travelling."

In London men servants were frequently put upon Board Wages, and this was one of the causes to which their general insubordination was often attributed. When Macdonald received the fifteen guineas he was clearly on Board Wages, for he mentions that his master gave him " half a guinea a week " in addition to his salary. This system enlarged their financial resources, for often they were able to supplement such wages by stores pilfered from their masters. Also the enterprising footman, if either his master or his master's horses were lodged at an inn, often got both Board Wages from his master and his food from the inn keeper as a perquisite. Another result of receiving Board Wages was the temptation to spend too much of their time and money at the tavern. They were forced to buy their food out, and to buy it in company with other footmen, many of whom were a lawless crowd. At a time when drunkenness threatened to overwhelm the nation, the amount of liquor they consumed was too much either for their purses or their constitutions.

Contemporaries blamed the system, though their criticism was vocal rather than effective. As early as 1711 a writer in the *Spectator* declared : " I can attribute the Licentiousness which has at present prevailed amongst them to nothing but what a hundred before me have assented it to, the custom of giving Board Wages." [2] Over forty years later the situation was unchanged, for another writer could say of the footmen that " by their profusion and extravagance in house keeping, they have

[1] *Travels*, J. Macdonald, ed. J. Beresford, 1927, pp. 71, 82, 93, 174.
[2] *Spectator*, No. 88, 1711.

compelled us to allow them board wages, by which means they have a constant excuse to loiter at public houses and money in their pockets to squander there in gaming, drunkenness, and extravagance." [1] In spite of protests twenty years later Macdonald and his fellows were apparently still often paid under the same system despite its drawbacks.

One cannot, however, judge the servants of England by those of London. In the country wages were never so high nor the temptations so great, and the wages which Defoe commended were often actually paid. In 1724 the Rector of Stanhope made his will in which he left " to Thomas Moses my servant, six pounds; to John Emmerson my other servant three pounds; to Sarah my maid, fifty shillings, being to each a year's wages." [2] But even in the country, though the rise might be less spectacular, wages were gradually increasing. By the middle of the century Hanway speaks of from £5 to £8 being good wages for footmen in Northumberland and Westmorland,[3] and in the southern counties people of modest incomes were beginning to pay their servants on this scale. Parson Woodforde managed his own domestic affairs, and his diary gives an excellent picture of the slow rise of wages in a country parish. He kept a farming servant, who was better paid than any of the others, and got a steady £10 a year, an indoor servant, a head maid, an under maid, and a boy. In 1766 he recorded that " Luke Barnard came to live with me this day as servant. I am to give him per annum three pounds, a coat, a waistcoat, and hat, besides victuals and drink, washing, and lodging." [4] A year later comes the entry, " My man Luke Barnard acquainted me this morning that he did not like his wages, and that unless I would raise them he would leave me." As he was " too fond of Cyder " the parson let him go and hired a new servant for £5 5s. a year, beside which he paid him 10s. 6d. for dressing his wigs, and an allowance of 12s. 6d. for two pairs of shoes. In 1766 he engaged two new maids, the upper one " A very pretty woman she is and understands cooking and working with her needle well. I am to give her per annum and tea twice a day £5 5s.," the other maid, since she could milk, was to have £3 10s. Then there was another domestic upheaval; new maids came, and in 1778 he was paying his upper maid " £5 15s. 6d. per annum, but out of that she is to find herself in Tea and sugar "; the under maid, who was young, was to have £2 2s.

[1] *World*, No. 157, 1756.
[2] *Notes and Queries*, 4th series, vol. v, p. 13.
[3] *Advice of Thomas Trueman*, J. Hanway, 1760, p. 52.
[4] *Diary of a Country Parson*, ed. J. Beresford, 1924, pp. 61, 68, 182.

and an allowance for tea and sugar. In 1784 he engaged a new maid and promised to give her " Five Guineas per Annum but no Tea at all ; she demurred a little about the smallness of the wages but at last agreed." It soon proved that she could not cook, and the parson had some difficulty in filling her place. One maid " did not chuse to wash dishes," another was " rather high and her late Wages 8 Pounds per Annum."[1] However, in the end he did get a maid for five guineas and her tea, and in the next year raised his under servant's wages to the same extent. When his footman left he was forced to pay more, and by 1788 he was giving eight pounds to his man servant and five guineas to both his maids; the boy got two guineas. The man who left him got a place at 10s. 6d. a week and no board or a shilling a day and board; probably these are examples of average wages in the country. The good parson was a kind master, but he obviously did not feel inclined to pay more than five guineas for an upper maid, and for an under maid the more usual wage was two guineas until 1785. Among the bigger houses, where more and better-trained servants were kept, wages would tend to be higher, but compared with those which Macdonald was getting in London, the difference in town and country wages is marked.

It seems fair to say, therefore, that where wages were actually as low as two pounds, Defoe is right in his contention that they were doubling themselves, but with the changes which had been taking place since the end of Charles I's reign he could hardly have expected wages to remain at their previous figure. Taking into consideration the prosperity of the eighteenth century, though wages may have risen more than people liked, they do not seem to have risen abnormally, with the possible exception of London, where the demand for servants was so great. It is to this demand that Defoe himself attributes their increase. " Some think," he writes, " that the demand for servants in England is greater than it used to be, and I believe that it is so ; not that I will undertake to say that the Nation is richer, because that might be disputed ; but that Luxury and living is increased, that I believe nobody will deny ; that people live more profusely, keep greater Equippages, and more servants than ever was done before." [2] That he was correct is probable. The wealth of the citizens, and the style which many mercantile families affected, must in itself have increased the demand for servants of the better class. Then London itself was growing, more people were

[1] *Diary of a Country Parson*, vol. ii, pp. 158, 159. Vol. iii, p. 2.
[2] *Behaviour of Servants*, D. Defoe, 1724, p. 138.

building town houses, and since the Restoration London had become a social centre, in a way that it had not been before. All these things were bound to increase the demand for servants. Defoe's saucy maid told him that " there were more Places than Parish Churches." There were always fewer good servants than servants, and at a time when money was plentiful a gentleman would pay good wages for a capable man. The consequent tendency was for wages to increase, and the more luxury grew, the more this would happen. There were other writers who were not loath to make even more sweeping statements on the subject. One declared that " I have been credibly informed, that there has been lately found by Computation of the Number of Servants kept by all sorts of People, Tradesmen as well as others, that there are in Westminster, and the Towns within Ten Miles round, take every way, above a Hundred thousand more Maid Servants and Footmen at this time, in place than there used to be in the same compass of ground about Thirty Years ago ; and that their Wages amounted to above 40s. per head per Annum more than the number of Servants did amount to at the same length of time past ; the Advance to the whole Body, amounting to no less than two hundred thousand Pounds a Year." [1] The accuracy of this gentleman's judgment—he wrote nearly thirty years after Defoe—may well be questioned, but he stated the feelings if not the facts of the times.

If the growth of servants' wages sprang from the luxury of the times, their insubordination sprang from the same root. It was a generally accepted fact that the servant aped his master in all the fashionable vices and extravagances of the time. In the words of the song, it was a case of :

> See John and his Master as together they pass,
> Or see them admiring themselves in the glass.
> Each cocks fierce his hat, each struts and looks big,
> Both have Lace on their Coat and a Bag to their Wig,
> Both swear, and both rattle, both game and both drink,
> When neither can write, or can read or can think,
> Say where the difference lies if you can,
> Truth Widows you'd give it on the side of the Man![2]

The growth of luxury in the use of tea and sugar among the servants has already been noticed. It would be interesting to know how far this use of tea and sugar among the general body of servants was responsible for their spread throughout the ranks

[1] *Luxury, Pride and Vanity the Bane of the British Nation*, p. 10.
[2] *The Intriguing Chambermaid*, H. Fielding, 1750.

of the labouring poor, which was so greatly deplored by the pamphleteers of the age.

Since in many cases the servants' perquisites included the cast-off finery of their masters and mistresses, it was not difficult for them to assume a style of dress above their station. Defoe's picture of the country maid who has lately come to London is well known, " Her Neat's Lethern Shoes are now transform'd into lac'd ones with high Heels; her Yarn Stockings are turn'd into fine Wsted ones, with silk Clocks; and her high Wooden Patterns are kickt away for Leathern Clogs; she must have a Hoop too, as well as her Mistress; and her poor scanty Linsey-Woolsey Petticoat is changed into a good silk one, four or five yards wide at the least: Not to carry the Description farther, in short, plain Country Joan is now turn'd into a fine London Madam, can drink Tea, take Snuff, and carry herself as high as the best."[1] When circumstances allowed, the men were as gay and presumptuous in their attire as the women. In general the footmen wore livery, but this was not required by many private gentlemen. Macdonald records with conscious pride that when sent to order himself two suits of clothes his choice was very modest, for he says " I did not want to be fine, I wanted to be like a servant. The gentlemen were pleased with what I ordered when they saw them."[2] Judging by the comments of the press and the stage there were not many footmen of such sober tastes. *The World* noticed bitterly that " Our very footmen are adorned with gold and silver, with bags, toupees, and ruffles: the valet de chambre cannot be distinguished from his master but by being better dresst; and Joan, who used to be but as good as her lady in the dark, is now by no means her inferior in the day light. In great families I have frequently entreated the Maitre d'Hotel to go before me, and have pulled a chair for the butler, imagining them to be part, and not the least genteel part, of the company. Their diversions, too, are no less polite than their appearances; in the country they are sportsmen, in town they frequent plays, operas and taverns and at home have their routs and their gaming tables."[3] It is only fair to add that among the numbers of the footmen were some very sensible men. Domestic service flung a wide net, and though there may have been many, like the valet in the play, who " was a cowboy in the country then was bound apprentice to a periwig maker, got into my lord duke's family, and now sets up for a fine gentleman;"

[1] *Everybody's Business is Nobody's Business*, D. Defoe, p. 5.
[2] *Travels*, J. Macdonald, ed. J. Beresford, 1927, p. 71.
[3] *The World*, No. 157, 1756.

yet there were others like Macdonald and Robert Dodsley, the author of a *Muse in Livery*, who were deficient in neither sense nor education. The waiting women, like Mrs. Slipsop in *Joseph Andrews*, were frequently drawn from the daughters of the poorest country parsons, and since to enter the service of a person of quality was often the very best method of obtaining patronage in the Customs and the Excise, many men of respectable parts, though poor in pocket, took this way of earning their living. Consequently, though the greater number of the London footmen probably were the type represented by the press and the stage, it is inconceivable that there were not others who, like Dodsley, when forced to join his fellows in the servants' hall, could declare of his gossiping, back-biting mates,

> For my Part, as I hate the Practice,
> And see in them how base and black 'tis,
> To some bye Place I therefore creep
> And sit me down and feign to sleep.[1]

Among the servants of the quality this practice of aping their masters was carried so far as to adopt their very names. The servant of a duke, became, by virtue of his master's rank, a duke among his fellows. A writer in the *Spectator* recounts an amusing instance of this custom, based on his own experience. " Falling in the other day at a Victualling House near the House of Peers," he wrote : " I heard the maid come downstairs and tell the Landlady at the Bar, that my Lord Bishop swore he would throw her out of the window, if she did not bring up more Mild Beer, and that my Lord Duke would have a double Mug of Parle. My surprise was increased in hearing loud and rustick voices speak and answer to each other upon the public Affairs, by the names of the most Illustrious of our Nobility till all of a sudden one came running in, and cry'd the House was rising. Down came all the Company together and away. The Alehouse was immediately filled with Clamour, and scoring one Mug to the Marquis of such a Place, oyl and Vinegar to such an Earl three quarts to my new lord for wetting his Title and so forth." [2] When servants not only wore their master's clothes, but even borrowed their names, and when the practice was sufficiently well established for public comment, there can be little doubt that the master's authority was slight.

Nothing contributed more materially to the independence of servants than the system of excessive " tipping " known as vails,

[1] *A Muse in Livery*, R. Dodsley, 1732, p. 30. [2] *Spectator*, No. 88, 1711.

which had grafted itself firmly on to the social life of the country during the first part of the eighteenth century. The obligation to scatter vails, wherever one went, was so heavy as almost to amount to blackmail. It was impossible to dine with a friend or a relation without having to distribute money among the servants. At the houses of the rich the ritual was blatant; the departing guests were forced to pass through the ranks of the footmen, headed by the butler, all of whom stood waiting to receive the shillings and half-crowns which custom declared must be given. Even among middling families, though the sums received were less, the custom was nevertheless still observed. Nor was it confined to London; the country parson, dining with his parishioners, was expected to give the servants something.

In families that entertained freely, their vails made the servants practically independent of their masters. As Angeloni exclaimed, "It is from other hands he receives his chief income and the master is but little regarded."[1] This was particularly true in the houses of the great, where debts of honour were more punctually paid than wages, and where vails were the servants' chief source of income. In more modest houses they can never have done more than supplement wages, but where several servants were kept they became of prime importance. Therefore, when a servant went to find out about a place, he always made the most minute inquiries as to the amount of company which the master or mistress kept. The following conversation is reported to have taken place between a gentleman and his prospective servant: "James, 'Pray, Sir, how often do you entertain, and how many at a time?' The gentleman replied, 'Once a week I see eight friends at dinner.' 'Then I am afraid your place would not suit me,' said the servant, 'I should not like to engage where there is not company twice a week.'"[2] Another servant questioned a lady, "whether she kept much company; how often she played at cards; and not being satisfied, at length demanded if she had not a Lying-in every year!"[3]

Their takings this way were considerable. It is not too much to say that there was almost a tariff of customary charges, to which the servants considered themselves entitled. Hanway declared that these payments were nothing less than a tax levied by servants. "How seldom," he says, "do we find the servant returns even the three poor monosyllables, I thank you." As a result

[1] *Letters on the English Nation*, Angeloni, 1755, p. 40.
[2] *Social History of the Southern Counties*, G. Roberts, 1856, p. 33.
[3] *Against the Practice of Vails Giving*, J. Hanway, 1760, pp. 47, 28.

of this attitude they made no distinction " between a gentleman of £200 a year and one of £2,000,"[1] since the tariff was fixed, not with reference to the pocket of the guest but with reference to the social importance of the master. As a consequence, to dine with the nobility was extremely expensive, for the unfortunate guest was expected to disburse between ten shillings and a guinea among his host's servants.

When the custom was so universal, in a place which entertained as freely as did eighteenth-century London, it is no wonder that " the vales received by footmen double their wages."[2] Angeloni stated that in his opinion " the money which is given to servants by visitors makes the place of a domestic a more considerable thing than many small trades."[3] Hanway, perhaps a prejudiced witness, as he was crusading against the whole practice, makes the accusation that " very few servants consider any place as good but where a great deal more is gained, than is equal to the value of the time of many who are born Gentlemen and bred to genteel Employments. The appointments to Clerks in public offices, and of the inferior clergy, are not equal to the emoluments of many such Gentlemen in livery."[4] He then goes on to say that there were many families in which the servant could command twenty guineas where the master could not command five. Such was certainly popularly supposed to have been the case, for on the stage no servant is ever in want of money. In the *Intriguing Chambermaid*, Lettice declares " I was worth £50 before I put it in a Lottery,"[5] while the man servant Philip boasts that, as a result of cheating his master, he had saved £500 towards his marriage. Something must be allowed for literary licence, for there cannot have been many who could really command these sums. Apparently, however, there were some. De Saussure was told by " one of Mr. Walpole's most intimate friends, that the latter's porter receives near on £80 as Christmas boxes alone. Truly this is a prodigious sum ; but if you consider that his master is first minister it is not incredible."[6] Such Christmas boxes were expected from all those who dined regularly at a house. The above-mentioned Philip speaks of " one of my master's prudent friends, who dines with him three times a week, and thinks he is mighty generous in giving me five guineas at Xmas—Damn all such sneaking scoundrels I say."

Not only did this system separate the interests of master and

[1] *Dr. King, Anecdotes of his own Times*, 1818, p. 5. [2] Grosley, p. 75.
[3] Angeloni, p. 40. [4] *Against Vails*, J. Hanway, p. 39.
[5] *The Intriguing Chambermaid*, H. Fielding, p. 6.
[6] *A Foreign View of England*, de Saussure, 1902, p. 195.

servant, it put the former in a very invidious position. It could not be other than a humiliation, despite the universality of the custom, for a gentleman to see his servants publicly extracting money from his guests. " I know not so ridiculous a personage as the master of the house on these occasions," declared a writer in *The World*. " He attends you to the door with quiet ceremony; but is so conscious of the awkward appearance he must make as a witness to the expences of his guest, that you can observe him placing himself in a position that he would have it supposed conceals him from the inhospitable transactions that are going on under his roof. He wears the silly look of an innocent man who has unfortunately broken in upon the retirement of two lovers, and is ready to affirm with great simplicity that he has seen nothing."[1] Inevitably the effect on society was pernicious, for, in fact, your servant dictated whom you should receive. Your footman or your porter would blandly, or even worse, rudely, say " Not at home " to a valued friend unless he were generous with his vails. The result was that a man could not receive at his table friends who were too poor to pay his servants. Many are the contemporary anecdotes which illustrate the shifts to which people were put when visiting their richer neighbours. When Sir Richard Steele visited the Duke of Marlborough at Blenheim, finding he had not enough money to give vails to all the servants, he was forced to adopt the expedient of inviting them all to the play at Drury Lane.[2] There is a pathetic story of a poor young officer, whose chances of preferment depended on his paying his addresses to a certain nobleman. His finances could not stand the strain, yet he knew that he could never gain admission without satisfying the flunkeys. In this dilemma he bethought himself of a plan, whereby he cut his silver buttons half off, so that they were hanging by a thread. Then, passing through the ranks of servants, he plucked off a button and handed it to each of them. Hanway observes sarcastically that " habituated as they were to the touch of this metal, they could not draw back their hands." It is pleasant to be able to record that enterprise was rewarded and the preferment secured.[3]

Furthermore, men were frequently forced to undergo the humiliation of giving their poverty as their reason for refusing invitations. De Saussure records in his memoirs, that " My Lord Southwell stopped me one day in the park, and reproached me

[1] *The World*, No. 60, 1754.
[2] *The Social History of the Southern Counties*, G. Roberts, 1856, p. 32.
[3] *Against Vails*, J. Hanway, 1760, p. 16.

most amicably with my having let some time pass before going to take soup with him. ' In truth, my lord,' I answered, ' I am not rich enough to take soup with you often.' His lordship understood my meaning and smiled."[1] His smile is perhaps the best commentary on the state of servants in England. Even the host himself was helpless to protect his poorer guests from his servants, who took effective steps to see that few would have the temerity to leave them unrewarded. Their methods were simple but humiliating. One such unfortunate guest records his experiences as follows : " I am a marked man. If I ask for beer I am presented with a piece of bread. If I am bold enough to call for wine, after a delay which would take its relish away were it good, I receive a mixture of the whole sideboard in a greasy glass. If I hold up my plate nobody sees me ; so that I am forced to eat mutton with fish sauce, and pickles with my apple pie." This was no exaggerated complaint, but the invariable and even accepted rule for dealing with people who " cannot afford (according to a very just and fashionable expression) to Pay a visit to their friends."[2] How often, one wonders, were the literary gentlemen subjected to such treatment when dining with their patrons, and how much has this neglect coloured their writings with regard to servants ?

The women servants were as bad as the men, though in many cases their opportunities were less. As every gentleman had a man servant, only the middling families employed women to wait at table, and here the vails were less—not more than a shilling a person for a dinner. The woman in the best position to extract money was the waiting-maid of a fashionable lady, since she, by the clever manipulation of her chances, had a considerable share in deciding who should have access to her mistress. Swift's advice is amusing. " Take care," he says, " that Every Body should know what Lady you live with ; How great a Favourite you are ; and that she always takes your advice. Go often to St. James' Park, the fine fellows will soon discover you, and contrive to slip a letter into your Sleeve or Bosom ; Pull it out in a Fury, and throw it on the ground, unless you find at least two guineas along with it ; but in that case seem not to find it, and think he was only playing the Wag with you."[3] The poor lover, unless he were handsome, had apparently little chance since his mistress could so often only be approached through her maids.

Though vails were probably the chief reason why the servants

[1] *A Foreign View of England*, de Saussure, 1902, p. 194.
[2] *The World*, No. 60, 1754. [3] *Directions to Servants*, J. Swift, 1745, p. 84.

of eighteenth-century London were such a troublesome crew, they were not the only contributory cause. Other perquisites played their share in the work of demoralisation. Card money was a great gain to the butler in those houses where play was frequent. Swift declares that " If your Lady loves play, your Fortune is fixed for ever: Moderate Gaming will be a perquisite of ten Shillings a week; and in such a Family I would rather chuse to be Butler than Chaplin, or even rather than be Steward."[1] On such occasions the butler, or in lesser families the footman, and not the mistress, supplied the cards and lights. By such means a hostess was able to entertain far greater numbers than her own means would allow. As this was the recognised practice, the guests were, by convention, forced to leave on the table double and treble the sums of money which the cards themselves were worth. Where the play was high the call for fresh packs was frequent, and each new pack increased the butler's gains. In addition, he sold the used packs to the smaller coffee-houses and so made a double profit on the transaction. Many of the upper London servants refused to enter any service where gaming parties were not given, since card money was too valuable a perquisite to lose. The attention of the editor of *The World* was called to the following advertisement: " The grooms of the chambers, butlers, and other servants of persons of quality, concerned in Card Money, are desired to meet at the Societies meeting place, St. James', on Friday the 12th of this instant March, at nine in the morning, to take under consideration the further duty said to be intended to be laid on cards. Note. It is desired that no gentleman, etc., belonging to a nobleman or others, will enter into any agreement with their ladies, as to card money, etc., till after the meeting. The servants of citizens and tradespeople, whose mistresses keep routs, may attend if they think proper. The best of teas, French rolls and butter, will be provided on the occasion."[2] Obviously, vails and card money can be regarded as one of the vested interests of eighteenth-century London.

Another source of profit were the commissions, which the servants extracted from the local shopkeepers. Much of the buying of provisions fell to the share of one or other of the servants, and here were endless opportunities for cheating. It was a recognised practice to buy as cheaply as possible, but to charge his master the top market price. Swift's directions to the Cook were: " If you are employed in Marketing, buy your meat as cheap as you can; but when you bring in your accounts, be tender of your

[1] *Directions to Servants*, p. 33. [2] *The World*, No. 179.

Master's Honour and set down the highest rates."[1] When the servants in " High Life below Stairs " decided to celebrate their master's absence by a party, Philip, the moving spirit in the revelry, says that to meet the cost " each of us must take a share and sink it in our next weekly bills ; that is the way."[2] Though masters were not ignorant of what went on, the abuses were so universal among the servants of the quality that a general inertia prevented anything being done until the matter exceeded all bounds. Where credit was the rule, a percentage was claimed from the shopkeeper in return for having taken his master's custom there. Hanway, writing to expose the evils attendant on the whole system of perquisites, which dominated domestic service as much as it did the political world, says : " The evil practice I mean to tell you of is when servants suffer more to be charged than they know the thing to be worth ; and let the tradesman understand that he must charge in this manner in order that he may be enabled to give handsome vails at the time of payment." Often, if the tradesman refused, then the servant, by misrepresentation, managed to get the account transferred. It was not only crusaders against social abuses who noticed the practice, more pious authors gave it their attention. A very smug little religious treatise, entitled *Instructions to Servants*, which outlined their duties and responsibilities in a most sanctimonious manner, declared that " They must not Buy at a Shop, which allows them something for their Custom, when they might Buy either better goods, or better Cheap at another Place, which gives no such encouragement."[3] Even this worthy tract, however, does permit them to receive presents from tradesmen, if at the same time they are conscious that their master has been in no way defrauded.

Another cause to which contemporaries attributed the unruliness of servants sounds a still more modern note ; this was the extreme reluctance of masters and mistresses to give genuine characters. Defoe rails against it of course, declaring that : " And especially among Ladies this usuage prevails, in which the Good Nature and Charity of the Ladies to ungrateful Servants goes far beyond their justice to one another, that an ill Servant is very seldom discovered and the Ladies yet excuse themselves by this, namely, that they are loath to take away a poor Servant's Good Name, which is starving them . . . this is the Reason why so many get Places again who have been Whores, Thieves, Swearers,

[1] *Directions to Servants*, p. 38.
[2] *High Life below Stairs*, J. Townley, 1848, p. 43.
[3] *Instructions to Servants*, 1718, p. 17.

and everything that is vile in Places where they had served before."[1] Whether through laziness or fear of a saucy tongue—and all contemporaries were united on the ability of both their footmen and their maids to retaliate with very effective abuse, or, as Defoe suggests, from sheer good nature, great slackness does seem to have prevailed in this direction. Fielding, who started his Universal Registry in the Strand, and who among other services offered to supply servants, appealed to " all Gentlemen and Ladies who turn away servants for any gross fault, to put themselves to the Expence of a Penny post Letter to the Office, and we faithfully promise that no such Servant shall be registered there."[2] One feels that not many patrons availed themselves of the offer, for in his *Extracts from the Penal Laws*, written in 1768, John Fielding again writes bitterly on the subject, saying, " Most of the Inconveniences arising in Families from the Misconduct of Servants are owing to the partial and unjust Characters given them by their Masters and Mistresses, either from false good nature or undeserved Resentment." He also warns people that " It is a Rule, never to be broke, not to take the Character of any Servant but from the Person whom they served last, if that can be had, and that by word of mouth if possible, as written Characters are an inlet to imposition."[3] Such complaints were constantly being made in the papers and by the writers of the time, but it was an abuse which was, and still is, difficult to reform, since it is impossible not to realise that to take away a servant's character is a serious thing. The suggested remedies were none of them very effective. John Fielding's plan was that the matter should be supervised by a Register Office, based on his own experiment, but having Parliamentary sanction behind it. Defoe's suggestions, as might be expected, were drastic. He would have fined any master £10 who, after dismissing a servant for drunkenness or insolence, should " give a Certificate of Good Behaviour to them, or any Certificate at all, without expressing the said Offence."[4] Also if the servant in question had been guilty of any theft of upwards of 40s., unless the master mentioned the fact on his certificate, he should be held liable for any losses incurred by a new master, who employed him on that Certificate. His insistence that no servant should be employed by any master, except at his own risk unless he produced a certificate, seems very much like an attempt to impose a species of pass laws on the servants of England.

[1] *Behaviour of Servants*, D. Defoe, 1724, p. 294.
[2] *Plan of a Universal Register Office*, J. Fielding, 1752, p. 15.
[3] *Penal Laws*, J. Fielding, 1768, p. 141.
[4] *Behaviour of Servants*, D. Defoe, 1724, p. 295.

There was, however, another side to the picture. Some writers assert roundly that if the servants were bad the fault lay not so much with them as with their masters. One declares that " If there is any characteristic peculiar to the young people of fashion of the present age, it is their laziness, or an extreme unwillingness to attend to anything, that can give them the least trouble or disquietude."[1] Masters, he affirms, will rather give up their authority than struggle to keep it, and in those circumstances how can you expect servants to be obedient? Moreover, with laziness went a rough imperious manner, so that " the performance of those duties which shall intitle the servant to a reward in Heaven, shall be insufficient to procure him either a civil word, or a kind look from his imperious master." According to this reading of the situation the slackening of the tie between master and man was due not only to vails, but also to a lack of consideration on the former's part. On the other hand the masters were also blamed for deliberately diminishing the gulf which separated them from their servants. " We take," declares *The World*, " another method still more effectuall, to compleat the work, which is by a ridiculous imitation of their dress and occupations. Hence were derived the flapped hat and cropped hair, the green frock, the long staff and the buckskin breeches . . . and hence many persons of the highest rank daily employ themselves in riding matches, driving coaches, or in running before them, in order to convince their domestics how greatly they are inferior to them in the execution of these honourable offices." In the contention that this attitude on the part of the young bloods helped to earn the contempt of their servants there may be a few grains of truth. When Le Blanc could report that " I have known a young man of quality who boasted he could run further, and hold it longer than any running footman in England,"[2] the servant cannot have felt that his occupation called for any particular respect towards those who were in many ways putting themselves on an equality with their domestics. When a man will run with you in a race, or fight with you in a brawl, your judgments on him are apt to be more accurate than respectful.

Thus the example of gaming and drinking afforded by their masters and mistresses, the money provided by wages and vails, alike combined to make the eighteenth-century servants insubordinate. But there were other factors, perhaps less recognised by contemporaries, which helped to contribute to the prevailing

[1] *The World*, No. 60, 87, 157.
[2] *Letters on the English and French Nations*, Le Blanc, p. 76.

reckless improvidence. In proportion to its opportunities for financial gain the calling of a servant was insecure. Where vails were small and the family life one of ordered routine, a servant maid, then as now, might keep a place for years. But where vails were the chief consideration, the temptation to change one's place in the hopes of bettering it was irresistible. Nor was it always the servants who were given to change ; masters were fickle too, and a footman might find himself in a series of temporary places through no fault of his own. In thirty years Macdonald served twenty-eight masters, and though the fault was sometimes his, more often his master went abroad or into the country and had no further need of him. Hanway states that " It is computed that there are above Two Thousand, in a kind of rotation, always out of place and in search of good services."[1] As a consequence the keynote of their life was instability, one month a lucky place would bring them money to spend on their dissipations, the next, deprived of it by some fault or mischance, they would have nothing on which to depend but their brethren or the parish. Swift bids the footman in the days of his pride, " Remember how often you have been stripped, and kick'd out of Doors, your Wages all taken up before hand, and spent in translated red heel'd shoes, second hand Toupees and repaired Lace Ruffles besides a swinging Debt to the Ale wife and the Brandy shop. . . . Remember how soon you grew shabby, threadbare and out at heels, was forced to borrow an old Livery coat, to make your Appearance while you were looking for a Place, and sneak to every House where you have an old Acquaintance to steal you a scrap to keep life and Soul together ; and upon the whole were in the lowest station of human life, which, as the old Ballard says, is that of a Skipkennel turn'd out of a place."[2] Even the respectable footmen knew such vicissitudes, for in one case Macdonald records in a matter-of-fact manner, " So I lost that place, and was out of service till I spent all my money, to the last five and threepence."[3] Such ups and downs of fortune are more conducive to reckless spending than to providence.

In spite of the fact that through restlessness, greed or mischance, servants were continually changing their places, the machinery for obtaining a new situation was very bad. The growth of registry offices for servants was in its infancy, the intelligencers, about whom King speaks so bitterly in his *Frauds of London*, were nothing more than traps for the unwary, more likely to lead

[1] *Advice of Thomas Trueman*, J. Hanway, 1760, p. 50.
[2] *Directions to Servants*, J. Swift, p. 61. [3] *Travels*, J. Macdonald, p. 80.

a maid-servant into evil ways, than to find a safe service. Fielding's Universal Register must have been much better, though here frauds and lying characters would make his task anything but easy. Moreover, his experiment was short-lived, for other offices, which sprang up to trade on its good name, led to its failure also, so that it was but a slight aid in providing employment, even for the servants of London. Most servants were either recommended by their masters, or drifting round in the taverns where their fellows congregated, they heard of vacant places and went after them. Hairdressers were often in a position to recommend a servant, since in many cases a man was required who could dress wigs.

Not only was the morrow uncertain, the future was even more insecure. In the case of a domestic servant the ambition or hope of a future competence, which will often spur a person to present effort for future gain, was absent. As Hanway pointed out repeatedly, in few other walks of life was marriage so heavily penalised. A prejudice against married servants existed; it was rarely a couple could find employment in the same family, and therefore, when a footman married, almost every element which favoured the setting-up of a permanent home was absent. This was particularly true of London, where the bond between master and man was generally of a mere casual and financial character. The fact that they had little hope of either promotion or matrimony probably contributed, more than most contemporaries would allow, to the disorderly life of the London footmen. Swift declares mockingly that no man of spirit could contemplate growing old in that capacity, and that he must take any way of escape that offered.

There were several recognised ways for a footman to change his status. The most obvious was to be advanced to the position of steward or butler, where at least he was a person of some consequence in the domestic world. The most respectable was to obtain, through his master's patronage, some place in the Customs or Excise. A person of quality, with large estates at his command, might install a favourite footman as tenant in one of his smaller farms, or might provide him with some other means of earning an independent livelihood. This was Sir Roger de Coverley's method. This latter way of advancement was more open to the servants attached to a country house, who were themselves drawn from the tenantry, while both former methods of promotion presupposed not only good masters but a length of service sufficient to justify their good will, and probably among the mob of London servants

few served one master long enough to earn or deserve such consideration. The other methods by which a footman might lift himself out of the rut were more romantic and less respectable. The hope of every footman in London, if writers are to be believed, was to marry his master's daughter. In *An Old Man Taught Wisdom*, in spite of all her other suitors, the lady chose the footman for her husband, since he was the most sprightly and fascinating of them all. Swift's advice to the enterprising was, " If you are a young sprightly Fellow, whenever you whisper your Mistress at table, run your Nose full in her Cheek, or if your Breath be good, breathe full in her Face ; this I have known to have had very good consequences in some Families."[1] Joseph Andrews, on the other hand, suffered much because of the passion his mistress conceived for him, and Macdonald, though he may have deceived himself, certainly cherished the idea that several of his mistresses had fallen victims to his handsome face. Certainly some footmen did contrive to win the hands of ladies much above them in rank, aided probably by the combined prevalence of drink and hedge priests and the slackness of the marriage laws before Hardewicke's Act. Not even the most illustrious families were free from the menace of an attractive footman, for Mrs. Harris records without surprise in one of her letters, " Lady Harriet Wentworth has married her footman. She left a letter for her sister, in which she desired all her clothes might be given to her woman, for she would have no further occasion for finery ; she said : ' though John was ignoble, yet he was honest.' They say she has settled a £100 a year on him, and all the rest of her fortune on her own family."[2] If all other methods failed there was, according to Swift, one path open. He must turn footpad, take to the road, and after a merry life, do honour to his calling by an impressive death at Tyburn. Grim as the humour is, the fact remains that many of those executed for theft or murder had at one time been employed as servants. Such were the results of extravagance and easy money combined with insecurity and periods of destitution. The Newgate Calender is an interesting supplement to the eighteenth-century complaints about their servants.

One last conclusive proof of their insubordination remains, and that is the measures which were taken to deal with the situation. The Englishman is slow to move ; and imposition has to be intolerable before he can nerve himself to defy an established social custom. Yet so impossible did the exactions of servants

[1] *Directions to Servants*, J. Swift, p. 7.
[2] *Correspondence of J. Harris*, vol. i, 1870, p. 117.

become, that the gentry were forced to concert measures against them. Even then the attack against vails, which most people held to be the root cause of the trouble, was launched not from England but from Aberdeen, that citadel of thrift, where the freeholders, at a meeting held in 1759, " taking under their consideration the custom which at present universally obtains, of giving vails or drink money to servants, which appeared to them not only pernicious with regard to servants, but likewise a thing shameful, indecent in itself, and destructive of all real hospitality, came to the resolution to discourage this practice as far as lay in their power ; and for that purpose engaged and gave mutually their word of honour, that in visiting one another they would give no money to servants, nor allow their own servants to take any money from their guests."[1] At the same time they expressed the hope that the nobility and gentry would follow their example. This blow, struck by the worthies of Aberdeen, led to the gradual emancipation, not only of Scotland, but of England, too. By 1760 the *Scots Magazine* could say that such resolutions were becoming general, and by the June of that year could give a list of seventeen counties who had issued similar appeals, while in Edinburgh itself various societies, including the Grand Lodge of the Freemasons of Scotland, adopted the same resolution.[2]

Gradually the determination to abolish vails extended south. The northern counties were the first to follow the Scottish lead, and in the August of the same year the Northumberland Quarter Sessions issued the following proclamation, " The High Sheriff and the Grand Jury of this County, being unanimously of the opinion, that the giving of vails to servants, is attended with many inconveniences ; do for themselves agree, and recommend to the country in general, that the practice of giving vails, card money, fees or gratuities to servants, upon any account whatever, cease from Martinmas next, and that a reasonable addition be made to their Wages."[3] In Cumberland and Westmorland the same course was followed, while the Grand Jury of Wiltshire meant to pass a similar resolution, but at the last minute it was dropped and not revived until 1764.

In many cases this crusade against vails was accompanied by the proposal to raise wages, with the intention of compensating the servants for what they would lose. The company of Hunters, at their annual meeting in Edinburgh, suggested some such course,

[1] *Scots Magazine*, vol. xxi, p. 661.
[2] *Advice of Thomas Trueman*, J. Hanway, 1760, p. 47.
[3] *Scots Magazine*, vol. xxii, pp. 42, 330.

while Caithness made the definite proposal for a one-third increase. In the Northern English counties also it was recognised that higher wages would have to be paid to balance the loss which this abolition would entail. The servants as a whole do not seem to have felt that even such an increase would be commensurate with their losses; perhaps they feared the more complete dependence on their masters which would follow. In any case there were signs of resistance, even in Scotland, and the county of Linlithgow added truculently, "And whereas they are informed, that the livery and house servants have entered into an association, not to hire themselves without a great augmentation of their wages, the gentlemen further resolve not to give extraordinary wages on account of vails being taken away."[1]

In spite of the tirades against high wages with which the century opened, and in spite of the attitude of places like Linlithgow, it was not difficult for a servant, living in the more populous districts, to show that a wage of five or six pounds a year was no longer adequate. In this connection the following letter appeared in the *Gazetteer*: "I have been fifteen years a servant . . . and having made a memorandum of my gains and expenses, I am able to give a true estimate of the same. My wages for the first four years were £6 per year, and the other five at £7 per year: The whole nine years' wages amount to the sum of £59. My vails and perquisites in the same term amount to the sum, and no more than £25 7s. 6d., which, being added together, makes my nine years' gains to be £84 7s. 6d.

My experiences one year with another, viz.:

For four pairs of shoes at 6s. per pair	£1	4	0
For mending ditto at 2s. per pair		8	0
For three shirts, the making, mending, etc. ...		15	9
For three neckclothes, at 2s. each		6	0
For two pairs of stockings at 4s. per pair ...		8	0
For washing the whole year	1	10	0
For one wig in two years is per year		10	6
For spending money when out late at night, etc.		5	0
The real expences in one year is	5	7	3
Which in nine years amounts to the sum of ...	48	5	3
Which being deducted from the above there will remain clear gain in nine years	36	2	3"[2]

From this account, which is extremely moderate in character, it would appear that vails had become a very necessary part of

[1] *Advice of Thomas Trueman*, J. Hanway, 1760, pp. 10-11.
[2] *Correspondence of J. Harris*, 1870, vol. i, pp. 108-9.

servants' wages, and that they went in many cases, not to satisfy the claims of debauchery, but the necessities of the recipient. Consequently, it is not surprising that the attempt to abolish a source of income which had been regarded as legitimate for more than half a century should have caused both discontent and protest.

The spread of the movement in England was gradual, and it was not until four years later that Londoners took any very active steps in the matter. Once the London footmen, however, discovered that their interests were being seriously threatened, they took immediate steps to show how powerfully they could make their displeasure felt. Though probably lacking any real organisation, a few active and unruly spirits in the past had shown themselves capable of arousing the footmen to riot. This weapon had not been forgotten and serious riots broke out in defence of the old custom, so that Mrs. Harris, in a letter to her son, which was dated 10th May, 1764, was able to give him the following account: "Great riots at Ranelagh among those *beings* the footmen. It began Friday, when three were taken into custody; but upon asking pardon they were discharged. Last night it was more violent, there was fighting with drawn swords, for some hours; they broke one chariot all to pieces, six are now in custody. I hope they will meet their due reward and not get off by asking pardon." Apparently this did not end the matter, for writing two days later she continued: "He was last night at Ranelagh, where there was another riot, much more considerable than the former ones. One gentleman has his arm broke, another his head, some footmen hurt, and 'tis said one killed, but that I doubt. Two were taken prisoner. I shall keep clear of this by staying at Whitehall. The ladies go into fits, scream, run into the gardens, and do everything that is ridiculous." Nothing shows the insolent independence of the footmen more, but in this case they were putting up a losing fight. Grosley remarks that the newspapers are full of the "refractoriness of servants, occasioned by the suppression of the old custom of giving vales," but he was of the opinion that the masters would gain their point. One point at least they had already gained, for the nobility had now established sufficient control over their own servants to prevent them from annoying foreigners, and Grosley, unlike de Saussure, notices that in the houses of persons of rank "I did not see the servants range themselves in a file to receive money, I walked out with all that freedom of air, which is so natural to Frenchmen."[1] Yet at

[1] *A Tour to London*, J. Grosley, 1772, p. 76.

the same time victory had not been completely won on the home front, for he records that his landlord's sister always paid vails to the servant after having dinner with the family, and Parson Woodforde, after an evening spent with friends, often says that he gave a shilling to the servant; only towards the end of the diary does the statement, " we give nothing at all to the servants," appear. But though vails still lingered for some time in places the heyday of the servant, and particularly the dictation of the footmen, was over. Since the footmen were no longer allowed to collect their vails by intimidation, people ceased to pay and they were forced back onto a new dependence on their master. Footmen may have remained unreliable and improvident, but the time when they could make themselves a public and social nuisance was over, and gradually the transition to the more disciplined man servant of Victorian London began to take place.

Even so brief a survey of the eighteenth-century servant makes it possible to form some opinion as to the correctness of contemporary complaints. The first main charge that wages were unreasonably high, seems hardly justified. It is true that a very considerable rise had taken place between the Restoration and the end of the next century, but such an increase was not peculiar to servants' wages only. The improvement in the standard of living during the eighteenth century was shared by the general community. Probably the outcry against the rise of servants' wages was due, not to the fact that such an augmentation was unreasonable, but to the fact that hardly any other increase in the cost of living could be traced to so definite a source. The whole community, from the small shopkeeper, who could only afford one young drudge, to the nobleman with large establishments, felt the rise in servants' wages. Accordingly, not looking at the matter with any sense of proportion, they grumbled and complained, feeling themselves, however unreasonably, grossly overcharged in this respect. Yet taken in conjunction with the general cost of living, servants' wages do not seem to have been unduly high.

There were more grounds for the charge of insubordination. The mass of evidence does tend to show that the servant body as a whole was out of hand. This is particularly true of London, where their numbers gave them special advantages, but even in a small country parish Parson Woodforde had to put up with a degree of drunken insolence which would not be tolerated to-day. Probably the amount of gin-drinking, which had such a ruinous effect on the working population generally, was very largely to blame for the reckless disregard of authority then so common.

Certainly, there was very little deference from servants to masters, on the contrary, a degree of familiarity often surprising prevailed, and there was apparently none of the social stigma attached to domestic service which complicates the problem to-day. The fact that many of the men and all the maid-servants wore no distinguishing dress undoubtedly lessened the social breach between them and their masters. Such in the eyes of contemporaries were the servants of the eighteenth century. The picture painted is black. Fairness to individuals probably demands that it be lightened, for it is incredible that no masters found satisfactory servants, and that everywhere extravagance and licentiousness were rife. As the masters were so too the servants tended to be, in sober houses sober servants would be found, while rakes would have rakes for their servants. Grosley distinctly states that " All the domestics of the citizens are dressed in plain but good clothes ; and insolence is not the characteristic of any in that station of life."[1] It is true that when he wrote the worst of the domestic crisis was over, and the matter of vails nearly settled, but there must always have been more difference between the servants of sober citizens and those of the quality than was recognised at the time. Yet in spite of exceptions the majority of the evidence does tend to show that the servants during the first half of the century were more than ordinarily out of hand. Under the conditions in which they worked, influences by gin and gaming, by vails and board wages, by the attitude of Society generally, they would have been less than human if they had remained the passive and submissive servants which the pious manuals mirror for their benefit.

In so short a review one cannot speak of the servants of the poor. Many of them were parish children, bound out as apprentices to " housewifery " with no greater premium than ten shillings or a pound. Such a system was nothing more than slavery, and their conditions with regard to food, clothing and lodging must have been hopelessly bad. But such unfortunates did not enter domestic service as an employment ; they were driven to it by appalling necessity and the parish. The gulf between them and the respectable servant in a normal place was so great that they hardly fall into the same category. Materially speaking, the position of the servants of the middle and upper classes seems to have contrasted quite favourably with the position of the other manual workers of the country. It is true that the eighteenth-century house was not constructed with any idea of meeting the

[1] Grosley, *A Tour to London*, 1772.

necessities of servants, and that their quarters and conditions often fell far below modern standards, but this was still more true of the dwellings of the labouring poor. Even these conditions were mitigated by the fact that in the towns the men at least were often on board wages, while the servants who lived in were reasonably sure of good food and the cast-off clothing of the household, which was recognised as a regular perquisite. What lack of servants there was seems to have been due not so much to a distaste for domestic service among the poor, as to a lack of machinery for bringing the prospective master and servant together, and to the claims of industry, since in the outwork system the small artisan often required the labour of his wife and daughters himself. Yet in spite of these difficulties and counterclaims, the number of persons employed in domestic service was very considerable, and though masters may have been difficult and exacting, the servants show every mark of independence; a state of cowed submission was very far from being their lot, on the contrary, they seem to have been quite capable of securing their own interests and a reasonable standard of life. In short, domestic service was by no means the Cinderella of the occupations of the poor.

The Attitude to the State in Anglican Literature from 1525 to 1550

By A. A. Dudley

If we are to understand aright the views expressed by the Anglican reformers, we must remember that while the revolt from the authority of Rome was accomplished swiftly and was supported by the whole weight of the State, the real process of church reform was far slower. Not until the reign of Edward VI was England truly protestant even in its government, while it is probable that at least half the people were catholics at heart for long afterwards. The Reformation naturally moved faster in the town than in the country: but the cause of the old church cannot even in the latter have been very intelligently upheld, owing to the extreme ignorance of the clergy.[1]

Another important fact which must be remembered is the extreme insularity of the reformation in England, especially before 1560. An interesting proof of this is to be found in the significant fact that, with the possible exceptions of Becon and Tyndale, none of the English reformers seem to have been at all well acquainted even with the phraseology of the doctrinal conflict on the Continent. The term "magistrate," for instance, applied to the civil ruler, in common use among Continental divines, was seldom used in England (except by Becon) before the visits of the Protestant exiles to various retreats on the Continent during the last years of Henry VIII and under Mary.[2]

There is a close relation, despite the insularity of the English Reformation, between the views of English divines and those of Luther, on the duties of the individual and the rights of the State.

[1] Bishop Hooper, of Worcester, records that in 1550, owing to the ignorance of the clergy, he was compelled to draw up articles for their guidance, and to examine them in the essentials of their faith. Of 311 clergy examined, 168 were unable to repeat the ten commandments, and of these 31 did not know where they were to be found: 40 did not know where the Lord's Prayer was written, and 31 did not know who was its author.

[2] The exception of Becon, one suspects, is due to the fact that for some years he was chaplain to Cranmer, and later to Edward VI, and possibly dealt more than his fellows with visitors and correspondence from overseas.

Their debt to St. Augustine, like his, was great,[1] but they do not follow Augustine when he describes the State as a robber-band, and declares that it is only tolerated owing to the wickedness of men. The thirteenth chapter of the Epistle of St. Paul to the Romans and the second chapter of the first book of Peter are their chief texts.[2] Obedience, it is argued, is due to all who are set in high office; and the Fifth Commandment, which teaches that parents must be obeyed, implies, in the word parents, all manner of authority. (Bullinger, Decades II, 268: "Senators and princes are in the Holy Scriptures called the fathers and pastors of the people," etc.) Moreover, in Psalm lxxxii it is said of the judges, "Ye are gods, and all of you are children of the Most High," and "Solomon (Prov. viii), speaking in the person of God, saith in this manner, 'Through me kings reign.'" [3]

But it is rare that the exhortation is given to obey the king and his officers, or others set in authority, without the significant exception being made "But a man ought to obey God rather than man" . . . "For they that fight against God go about to bring upon their country a present ruin and destruction." [4] Or again: [5] "When laws are made against God and his word, then I ought more to obey God than man. Then may I refuse to obey with a good conscience."

Then Latimer goes on to another important statement: "Yet for all that I may not rise up against the magistrates, nor make any uproar, for if I do so, I sin damnably. I must be content to suffer whatsoever God shall lay upon me, yet I may not obey

[1] In the Index to the Parker Society's publications of the works of early English churchmen thirty pages are filled with references to St. Augustine—considerably more than is allotted to St. Paul.

[2] The chief phrases relied on are as follows: Rom. xiii, "Let every soul be subject to the higher powers. For there is no power but of God: the powers that be are ordained of God. Whosoever therefore resisteth power, resisteth the ordinance of God: and they that resist shall receive unto themselves damnation. For rulers are not a terror to good works, but to the evil . . . he is a minister of God, a revenger to execute wrath upon him that doeth evil. Wherefore ye must needs be subject, not only for wrath, but for conscience sake. For this cause pay ye tribute also." Pet. ii, 13, "Submit yourselves unto every ordinance of man for the Lord's sake, whether it be to the king, as supreme: or unto governors, as unto them that are sent by him for the punishment of evildoers, and for the praise of them that do well." It is strange to find that Peter, from whom the Pope claimed to draw his authority, should be quoted against the Pope.

[3] "*A pleasante newe Nosegay, ful of many Godly and swete floures, lately gatherd by Thomas Becon.*" Becon goes so far as to say that the realm which lacks the control of the civil magistrate is "Wild, rustical, brutal, and beast-like": a statement curiously like the well-known phrase of Hobbes.

[4] Ridley, Works. Tyndale, in his *Pathway to the Holy Scriptures*, p. 25, has the odd turn of expression "So far yet are the worldly powers or rulers to be obeyed only, as their commandments repugn not against the commandments of God, and then ho!"

[5] Latimer, Sermons, vol. i, *Sermon on the Lord's Prayer* (1552), p. 371.

their wicked laws to do them. Only in such a case may a man refuse to obey : else in all the other matters we ought to obey." The fathers of the English church did not tire, therefore, of abusing the Anabaptists, and all who attempted to interpret too literally the commands of the New Testament. It was, of course, necessary, in reply to the extremists, to show that many of the texts of the Bible meant something other than they seemed to mean : and this despite the fact that most of the reformers follow Tyndale in rejecting the argument of the schoolmen, that each phrase of the scripture has, besides its obvious literal and (or) analogical meaning, an analogical and tropological interpretation, and that " the literal sense is hurtful and noise-some and killeth the soul." It is argued [1] that when Christ asked, " Who has made me a judge between you ? " or said, " Judge not that ye be not judged " or " Blessed are the merciful," he did not imply any criticism of those who took upon themselves the office of judges, or who executed severe judgments on wrongdoers. Again, the Commandment " Thou shalt not kill " is said to be only a prohibition of private vengeance, and should not prevent the minister of the law from doing his duty, or the monarch from going to war if he has good cause. Hooper, in his *Declaration of the Ten Commandments* [2] says that the magistrate " is bound to put him to death, that hath offended against the law," and proves it out of Deuteronomy xix, 13. Indeed, he quotes with approval the punishment allotted in the Corpus Juris Civilis that " such as procure and search the death of a man privily . . . should be enclosed in a trunk along with a dog, a cock, a snake, and an ape, and so be cast into the water, to die among these rigorous beasts." This bloodthirsty attitude was common, and Bullinger is one of the very few who entreats the magistrate to show mercy to the wrongdoer. Similar arguments are made that it is permissible for the king to go to war, and subjects are enjoined that they must obey him when he commands them to do so on his behalf. " A man," it is said, " cannot shorten his life by well doing, therefore he may go to the king's wars with a joyful heart." [3] We must not only pay obedience to the civil ruler, but, in accordance with the precept, " Render unto Cæsar the things that are Cæsar's," we must pay tribute to the king when he demands it for his lawful occasions.[4]

[1] Latimer, Sermons, i, p. 273.

[2] *Early Writings*, p. 367, *et seq.*

[3] Latimer, Sermons, i, p. 416.

[4] Hooper, Works, vol. ii, *Annotations on Romans xiii :* " Tribute is a note and knowledge of our obedience, which we must pay willingly and gladly, as Christ saith " : and Latimer, Sermons, i, p. 512, declares that we are thieves if we withhold our portion of the taxes.

Even heathen magistrates, it is generally considered, ought to be obeyed, if they do not command what is against God's will. The doctrine of Augustine that evil is not a positive and absolute factor in the world, but is controlled by God for our good, is generally adopted.[1]

J. N. Figgis, in *The Divine Right of Kings*, mentions that Bishop Gardiner's oration *On True Obedience* (1534-5) shows a rare but thorough grasp of the fact that " The real question is not of the religious duty of obedience but of the limits of obedience in extreme cases . . . but he denies that any limits to obedience are to be found in scripture." Mr. Figgis goes on to declare that " in the sixteenth century no case of resistance is admitted," and that in Tyndale's *Obedience of a Christian Man* passive obedience is inculcated without any qualification. This statement is, in the light of the facts available, quite misleading. There can be little doubt that Stephen Gardiner wrote his book almost entirely for the king's eye, and that it soon bore fruit is to be seen in his appointment in the following year as special Ambassador to France. Moreover, as we have already seen, it was usual, at least among the reformers who were most radical in matters of religion, to recognise that there were quite definite limits to obedience, even if resistance was not usually approved. Tyndale is, curiously enough, one of the worst examples which could be taken to prove this case. He was, in some ways, by far the most interesting and intelligent of the Englishmen engaged in the reform movement, and his views, possibly because he came under the influence of Colet at Oxford, are liable to be affected by considerations which do not seem to have touched the men who followed him. His ideas, when expressed, are usually clear and decisive enough, but we find curious contradictions which seem to show that, although he came under the influence of Lutheran teaching while he was in Germany, he was neither devoid of originality nor altogether lacking in a knowledge of earlier writings on the authority of kings and the obedience of subjects.

It is curious to note that present-day admirers of Tyndale almost always claim that when he was in Germany he did not at any time make his way to Wittenberg and there absorb doctrine direct from Luther: while on the other hand his de-

[1] Tyndale, *Obedience of a Christian Man*: " God requires this obedience to rulers also among Turks and infidels " and " It is not lawful for a Christian man to resist his prince, even though he be an heathen man." Tyndale even goes so far (ib. p. 175) as to say that the reward for obedience is not in heaven, but actual here on earth.

tractors, and the defenders of Sir Thomas More, always seem to insist that he did so. In point of fact, this appears to be of little importance, for Tyndale's writings bear in themselves abundant evidence of his admiration for Luther and for Luther's teachings, and he defends Luther, in his *Answer to the Dialogue of Sir Thomas More*, from various imputations. This does not argue, however, that in all his thought he was completely Lutheran, and, indeed, quite obvious differences of opinion occur. In the *Obedience of a Christian Man* he does, it is true, pronounce a doctrine of obedience: "So even an unlawful king must not be judged by his subjects, for to judge him is to judge God himself" and "he that layeth hands on the king layeth hands on God, and he that resisteth the king resisteth God, and damneth God's Law and ordinance. If the subjects sin, they must be brought to the king's judgment. If the king sins, he must be reserved to the judgment, wrath, and vengeance of God. And as it is to resist the king, so it is to resist his officer," for "the powers that be are ordained of God." This seems clear enough, but we must remember that the *Obedience of a Christian Man* was a *livre de circonstance* written with the especial object of proving that imputations against the loyalty of Tyndale were false. It was, moreover, written in 1527-8, when Tyndale, although at war with the bishops of the Roman church in England, still tended to regard Henry VIII as an enlightened monarch who was willing to recognise genuine searchers after truth. The book certainly pleased Henry when it was brought to his notice, and at one time he expressed a wish that Tyndale should return to England. At this time, however, Warham and Wolsey were both buying and burning all copies of Tyndale's Bible and commentaries on which hands could be laid, and Hackett and West, on behalf of Wolsey, were searching the Netherlands and Germany to discover, if possible, Tyndale's place of retreat, though they met with little success.[1] In 1530 and 1531 attempts were made by Cromwell, through the agency of Coverdale and others, to persuade Tyndale to return to England. He was regarded as a possible and valuable ally for Henry against the Pope. But at the same time John Tyndale had been arrested for being in communication with his brother, and Henry was highly displeased at the tone of Tyndale's *Answer* to More. Stephen Vaughan, the new envoy to the Netherlands, got into communication with Tyndale, and sent to Cromwell

[1] At one time Tyndale was selling to Tonstal, through an intermediary, an edition of the New Testament with which he was dissatisfied, and was preparing a new and improved edition with the money gained by the sale.

a letter for the king, full of praise of the reformer, but declaring that Tyndale was afraid lest the promises of the king should, by the persuasions of the clergy, be broken. Moreover, on November 20th, 1531, one Richard Bayfield, a monk of Bury, was sentenced by Bishop Stokesley of London, to be cursed by the church and burned by fire for the unlawful possession of a copy of Tyndale's *Answer*, and where the reader was persecuted, the author could hope for little mercy. The efforts of Cromwell to persuade Tyndale to return to England were therefore brought to a close, and Sir Thomas Elyot was commissioned by the king to attempt to secure the reformer's arrest. Consequently it is not surprising to find that, if we turn to the *Exposition of St. Matthew* (1532), Tyndale appears to have become a little more doubtful, or a little less guarded in his language, as to the sanctity of the civil power. He says : [1] " Though every man's body and goods be under the king, do he right or wrong, yet is the authority of God's word free, and above the king : so that the worst in the realm may tell the king, if he do him wrong, that he doth naught, and otherwise than God hath commanded him, and so warn him to avoid the wrath of God which is the patient avenger of all unrighteousness. May I then, and ought also, to resist father and mother and all temporal power with God's word, when they wrongfully do or command that hurteth or killeth the body . . ." and " No more is the bishop's or preacher's defending God's word enough for me, but I must defend it in mine own person, and jeopard life and all thereon when I see need and occasion." Here at least God's word seems to stand, for Tyndale, higher than the commands of kings or princes.[2]

As early as 1530, in *The Practice of Prelates* (p. 244), he declares that the wrath of God stirs up the people " to destroy the enemies and persecutors of the truth," and it is clear that he means hereby to imply resistance not only to the Roman church, but also to civil rulers who do evil. In his *Supplication to the King, Nobles, and subjects of England*, although he does not give definite approval to resistance, he does at least state clearly that England had been evilly governed, and threatens the punishment of the king and his evil counsellors with that same sword wherewith they had persecuted.

[1] Tyndale, Parker Soc. ed., vol. ii.

[2] On the other hand we must recognise that some of the reformers, particularly Bradford and Hooper, go to the opposite extreme and express a completely Socratic doctrine. They declare that when a man is persecuted by the civil ruler, even if he is sure that God's word is with him, he must " submit himself with all patience and humility, there to suffer as the will and pleasure of the higher powers shall adjudge " after making his protest.

His general tendency, however, seems to be to deplore bodily violence, and he never goes so far as actually to approve armed resistance to the king, either with or without the agreement of princes of the blood or other officers, as was done by the followers of Calvin : nor does he give any approval to tyrannicide.

Bullinger, the pastor of Zurich, had a great deal of influence on the progress of thought in the English reformation, and many of those who were driven overseas by persecution found refuge and help with him. His views have, therefore, no little interest for us, and it is important to notice that he even goes so far as to give a tentative approval to tyrannicide. Sometimes, he says,[1] God " stirreth up noble captains and valiant men to displace tyrants, and set God's people at liberty : as we may see many examples thereof in the Books of Judges and Kings. But," he goes on, " lest any man do fall to abuse these examples, let him consider their calling by God : which calling if he have not, or else do prevent, he is so far from doing good in killing the tyrant, that it is to be feared lest he do make the evil double so much as it was before."

Bullinger was much more of an expert theologian than most of his friends in England, and his arguments are often more abstruse than theirs. He was, as they, fond of quotation from the scriptures, but he draws more arguments, as distinct from examples, from the fathers than they do. With Luther and St. Augustine he argues that although God is incapable of evil, evil may be used for good purposes, and that, although tyrants are in truth servants of the devil, yet they are permitted by God to appear when he wishes to punish a wicked people : though sometimes they may exist for a time against his will : then he destroys them, either by foul diseases or by the hand of some " noble captain or valiant man."

The argument that God will take vengeance on the wicked ruler, although it was not usually based on any very deep theological reasoning, was popular among the English reformers.[2] It was used, of course, to enforce the argument that the Christian man is in the hand of God, and must therefore obey his superiors, as well as to discourage private vengeance.[3]

[1] *Decades ii*, Sermon vi, p. 318.

[2] Tyndale argued that to slay the tyrant was to rob God of His vengeance, quite contrary to the later argument that to slay the tyrant was to send him earlier to the fires of hell.

[3] Thus Tyndale says in the *Obedience of a Christian Man* : " God hath all tyrants in his hand, and letteth them not do whatsoever they would, but as much only as he appointeth them to do . . . and as, when the child submitteth himself unto his father's correction and nurture . . . so the rod is taken away :

The relationship of the church to the civil state was naturally a matter of the greatest interest to the reformers, and a large part of their energy was spent on the attack on the papal claim to power. It was, as Figgis [1] remarks, their function " to transfer to the State most of the prerogatives that belonged in the Middle Ages to the Church." Their exaltation of the rights of the civil ruler in regard to the obedience of his subjects was, therefore, accompanied by an attempt to define the rights and duties of a good churchman. Ockham, in the *Dialogus*, had declared that the Pope was limited by the fact that he might not use compulsion, and must rely on persuasion, and this agreed with the teachings of many of the early fathers as to the position of the priest. Colet and his friends were opposed to the claims of ecclesiastics to worldly dominion, and, indeed, it was the general complaint of those interested in religious reform that the church was far too much concerned with worldly matters. The leaders of the new Church of England did not differ from this view. " No man in a kingdom," says Hooper, " ought to be exempt from the obedience of the king." Latimer, in a sermon preached in February, 1552,[2] declares " The ecclesiastical power is ordained, not to pull out the wicked by the sword, but only to admonish them with the word of God, which is called *gladius spiritus*," and in a sermon before Edward VI he declares that the preacher may correct the king with the spiritual sword of exhortation, but that he must submit to the correction of the king in temporal matters. Bullinger, in the seventh sermon of his second *Decade*, makes a similar argument, and Becon, after saying that " No person, be he spiritual or temporal, is exempted from obedience to the higher powers," declares that this can be proved by examples from the Old and the New Testament alike. It was generally taken for granted, then, that the " spiritual officer " was subject to the correction of the temporal, and it seems to have been assumed that they were both members of one society, although the mediæval idea of a united Christendom has fallen out of use. And here again Tyndale appears to be rather set apart from his colleagues : he appears, at times, to anticipate the views of the Presbyterians, adopted by the Jesuits, that there are two separate societies,

even so, when we are come into the knowledge of the right way, and have forsaken our will, and offer ourselves clean unto the will of God, then turneth he the tyrants : or else, if they enforce to persecute us any further, he putteth them out of the way, according to the comfortable ensamples of scripture." In the *New Catechism set forth Dialoguewise* of Thomas Becon it is declared that though " for the sins of the people doth God make an hypocrite to reign over them," yet God will punish the wicked magistrate.

[1] *Gerson to Grotius*, p. 56.

[2] Latimer, Sermons ii, p. 196.

the church and the state, composed of the same persons. Figgis, in his notes to the Chapter on Luther in *Gerson to Grotius*, seems to suggest that the theory was only developed at a later stage, particularly by Barclay, and that it was not until the time of Warburton that the idea of two quite distinct societies composed of the same persons, differentiated by their ends, was developed. Whether or no this theory is fully developed in Barclay, it is clearly stated long before his time by Tyndale,[1] who says, " Ye must understand that there be two states or degrees in this world : the kingdom of heaven, which is the regiment of the Gospel, and the kingdom of the world, which is the temporal regiment." In the first state men do not hold offices, but in the second state they do, and " Now is every person a double person, and under both the regiments. In the first regiment thou art a person for thineself. . . . In the temporal regiment thou art a person in respect of other : thou art an husband, father, mother," etc. It is on this basis that he argues that " the king is under the spiritual officers in spiritual matters, to be rebuked by them " [2] and they are under him in all matters of temporal government. He argues, too,[3] that " To preach God's word is too much for half a man, and to minister a temporal kingdom too much for half a man also," and therefore he thinks that the officers of the two regiments should not attempt to usurp one another's authority. The theory is not, however, worked out to any very full completion : it was scarcely probable at that time that it would be so worked out ; and it was not until the opportunity came for putting the theory into practice that it became necessary to determine what were the minute details of relationship between the two bodies. At any rate the position taken up by Tyndale does not seem consonant, despite Luther's influence on him, with what Figgis calls Luther's " denial of the Church as a visible society." It certainly differs, too, from the position of Augustine, who, though he recognised a *civitas superna* and a *civitas terrena*, quite clearly regarded the state as a necessary evil, for the control of the wicked.

We may note here that most of the fathers of the reformed church in England also take the view that for the good man law and the control of the civil magistrate are not necessary, but that since he is good he will naturally obey the law, and so will

[1] *Exposition of St. Matthew*, p. 60.

[2] He accepted, from the early fathers, and with Marsiglio, Ockham, Wyclif, Hus, and Luther, the doctrine of the priesthood of all believers, so his reference to spiritual officers, though verbally inconsistent, is not so in reality.

[3] *Obedience of a Christian Man*, p. 207.

not be hampered by laws which are set forth to control the less virtuous. "The natural man," says Tyndale, "is enticed and moved to keep the law carnally," either by reward or fear. Bullinger and Latimer both discourse at some length on the meaning of law, which is based, they say, on the ten commandments. Bullinger, in his second Decade of Sermons, says that "The law is nothing but a declaration of God's will," it is "an instruction of the conscience." "Just and honest politic laws," he says, "are an help to love and tranquillity: do preserve fellowly society among men: do defend the good: bring inordinate persons into better order, and lastly do not make a little only to the setting forward of religion, but do also abrogate evil customs, and utterly banish unlawful mischiefs." Latimer, who divides laws into general and special, of which the general are the ten commandments, also joins in praise of the law and of obedience to it. It is usually assumed that these laws cover the officers of the church, and most of the reformers join in urging that it is the duty of the civil magistrate to give no mercy to those ecclesiastics who disobey. Moreover, "It is the office and duty of the magistrate to advance religion," says Bullinger, and most of the English reformers held this Erastian doctrine. Becon describes the magistrates as the guards of religion, and says that they must be learned in God's word, and similar exhortations are to be found in most of the writers. Hence it is the duty of magistrates to deal with heretics, and Becon explains that these, if they cannot be convinced by wise and gentle reasoning, must be killed, in order that they shall not spread their pernicious doctrines to the destruction of souls and the hurt of the commonwealth. Bullinger [1] says that scripture expressly commands the magistrate not to spare false prophets. But although the king was thus encouraged to take his part in the maintenance of religion, there was little agreement between the English divines and those of the old school and of Geneva on the manner whereby heretics should be discovered and punished. Beza [2] upheld a theory similar to that of Rome, according to which the function of the magistrate was to execute what the officers of the church had determined in religious matters. This view, designed to defend the burning by Calvin of Servetus, was hotly opposed in England and at Zurich. Kings, says Jewel,[3] are not set in office merely to execute the judgments of the high priest. Tyndale,

[1] *Decades ii*, 308.
[2] *Concerning the duty of punishing heretics by the civil magistrate* (1554).
[3] *Works iv.*, 991.

decrying the authority of the Pope in this matter, likens him to Aaron's calf, " for," he says, " he bringeth forth no fruit but bulls," and Becon thinks that the temporal ruler should not become the mere hangman of the priest.[1] Though it is often assumed that the temporal ruler is to be free, under God, to control religion, in several places limits are placed on his power in this respect. Bullinger is rather more explicit than most, and [2] shows that though it is the office of the magistrate to advance religion, yet he must not take upon him the functions of the priest ; and although he may make laws regarding religion, these should only be concerned with externals, for it is not his business to concern himself with changes in the form or substance of worship ; alterations and innovations are usually bad.[3]

We have seen that, on the whole, the result of the Reformation in England was to magnify the importance of the " civil magistrate " in the eyes at least of the writers of ecclesiastical literature, at the expense of the power of the church. This went so far (though in England, perhaps, less than on the Continent) as to magnify absolutism even at the expense of the principle of legitimism. But we must not forget the other side of the picture. It has often been said that in their ecstasy of adoration of the God-like office of the king, the divines of the reformed church forgot that kings might be, usually were, wicked and unscrupulous, and were far removed from that ideal which they contemplated. If we examine their sermons and homilies, however, we find, time and time again, the exhortation to the king that he shall fill his office fittingly and in accordance with the law of God : and it is not seldom that we find statements that the king *must* do this, or not do that. Tyndale is as definite as any in his declaration of the duties of a king, who is after all, he says, but a servant, " to execute the will of God, and not to rule after his own imagination " : and he warns kings (as does Hutchinson in *The Image of God* (1550)) to look to themselves if their people are rebellious, for it is a sure reflection of their own misrule. Latimer[4] urges that the king should not look at faults through his fingers, for the office of king is a great responsibility and not to be taken lightly. Becon lays down a few simple rules which he thinks

[1] *A new Catechism set forth Dialoguewise.* [2] *Decades ii*, Sermon vii.

[3] Hooper, in his *Brief and clear confession of the Christian Faith*, Art. 79, says, however, " I believe that to the magistrate it doth appertain, not only to have regard unto the commonwealth, but also unto ecclesiastical matters, to take away and overthrow all idolatry and false serving of God . . . to cause the word of the gospel everywhere to be preached, and the same to maintain unto death." He does not seem to put any decisive limit on the powers of the magistrate in regard to religion.

[4] Sermons, i, pp. 152 and 193.

should guide kings. They should, he says, rule justly : not take bribes : administer justice without fear or favour : guard their people and not oppress them, and defend them from tyrants : punish the wicked, idolators and false prophets : take precautions against heresy ; and in all their dealings with their people be most gentle and loving. Bullinger's definition of the office of the magistrate is perhaps the most complete. It seems to consist, he says, " in these three points, to order, to judge, and to punish," and he goes on to show how this must be done, by means of written law and good government. The king must be especially careful not to be more liberal in promising than in performing : he must not abuse his lawful authority. Bullinger is almost the only one of the ecclesiastics with whom we are dealing who notes, and accepts, the Aristotelian doctrine of the three kinds of commonwealth : but though he goes on to describe the various forms of monarchy, aristocracy, and democracy, even he seems indifferent to the type of government adopted ; though probably, he thinks, an aristocracy can show certain advantages. Very few of the English reformers have anything of importance to say as to the actual form of government favoured by them.

The Repeal of the Corn Laws, 1846

By J. A. Thomas
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It is significant that the final triumph of the Free Trade movement, as symbolised by the repeal of the Corn Laws, was secured fourteen years after the Reform Bill was passed in 1832. There is no need to insist here that what the measure of Parliamentary reform then conceded did was to grant a class, hitherto debarred from political power, the right to exercise a directing influence upon the policy of the country. In short, and according to the ideas held in those days, the great Reform Bill of 1832 recognised the claim of "Industrial" as well as of "Landed" property to manipulate the State. Once that claim was admitted, "Commerce" and "Industry" set about vigorously to assert their influence.

Not, indeed, that either of the two great parties in the House of Commons favoured an anti-Corn Law policy. The Tory Party was the mouthpiece of the "landed" interest;—a party which contained 301 landholders as compared with 147 other interests,[1] could not be expected to favour the removal of agricultural protection. Land made an equally brave show in the ranks of the Whig Party; for here again its representatives numbered 168, whereas those of the combined "other interests" reached a total of only 158.[2]

The leader of the anti-Corn Law movement, Cobden, was under no illusions regarding the official Whig Party attitude. In point of fact, the great agitator never trusted the Whigs. His suspicion of them is very aptly summarised in a letter which he wrote to George Wilson of Durham on October 24th, 1843. "Now your best plan at Covent Garden on Thursday," so the letter runs, "will be to prevent the Whigs playing us off against the Tories, by declaring that the city election was a trial of strength not between the League and the Ministry, or between the League and the Tory Party, but between Free Trade and Monopoly. There is no way so certain of bringing the Whigs to our ranks as by showing

[1] These figures refer to the economic composition of the Tory Party returned to power at the General Election held in 1841.

[2] These refer to the economic composition of the Whig Party returned to the House in 1841.

them that they will not be allowed to make a sham fight with the Tories at our expense. Depend upon it the Whigs are now plotting how they can use us and throw us aside. The more we show our honesty in refusing to be made the tools of a party, the more shall we have the confidence of the moderate and honest Tories."[1] Peel, we know, could neither carry his Cabinet with him, nor could he retain the allegiance of a whole and a united party in the matter of repeal. The Whigs, too, were equally divided on the question of Free Trade policy ; for Viscount Palmerston went even to the length of publicly dissociating himself from the opinions of his chief on the matter. Disraeli, then an interested spectator of public affairs, was of opinion that tampering with the Corn Laws would split both parties from top to bottom.

Yet it was to the Tory Party that the task of repealing the Corn Laws fell. As Lord Morley puts it : " It is not a piece of cynicism, but an important truth, to say that what brings great changes of policy is the spontaneous shifting and readjustment of interests, not the discovery of new principles."[2] It was, then, this gradual readjustment that brought about the repeal of the Corn Laws. A large and wealthy class stood solidly behind the demand for their repeal. Add to this the undoubted fact that the interests of that class coincided with those of an ever-growing body of consumers ; further, that the agitation of the Anti-Corn Law League had prepared and mobilised the opinion of the consuming public ; finally, the fear which this outside agitation inspired in a Parliament reflecting popular opinions but very imperfectly, and the demand that a policy of Free Trade in corn should be substituted for one of Protection, becomes overwhelming. Clearly the Tory Party could not but bow before the storm ; it merely clothed with legislative sanction a demand which could no longer be denied.

Remembering, then, that we are not dealing with a question of policy about which either of the two dominant parties in the House of Commons held definitely antagonistic views, is it possible for us to determine some of the motives which would persuade members to vote either for or against the measure ? Party loyalty, clearly, was, at least, weakened ; when the ties of party are loosened what is it which determines the conduct of the members ?

In this connection it may be pointed out that though the House of Commons is built upon a territorial basis, this should not blind us to the fact that it is also a body which is functional in character. In other words, its personnel, elected to represent geographical units, has, also, distinct and definite economic interests. Land-

[1] Quoted in Morley's *Cobden*, p. 289. [2] Morley's *Cobden*, p. 406.

holders and iron and steel magnates, for instance, are returned as members ; and any analysis of their conduct omitting some reference to the " pull " which " interest " must exercise over them is, necessarily, incomplete. It is the purpose of this article to estimate how far it is true to say with Bernard Cracroft that " . . . in the case of classes dealing with class interests, it is the law of their being that they should consider themselves paramount and necessary to the public welfare."[1]

The debates on both the Second and Third Readings of the Bill throw a flood of light upon our problem. The Opposition hotly denies the charge that English agriculture is inefficient ; but more material to our purpose is its insistence upon the essentially revolutionary character of the measure. It is, to begin with, a dastardly attack upon the private property of the tithe-owner. This owner of property had agreed to accept a money payment in lieu of a payment in kind ; and as that money payment would be fixed at a figure determined by the average price of wheat over a number of preceding years, a measure deliberately intended to lower the average was nothing short of robbery and confiscation. But more serious even than this was the threat to dethrone the political influence of the " landed " interest in favour of " industry " and " commerce," thereby giving power to a class which, in its pursuit of profit, was utterly devoid of all sense of social obligation. The landholders had always been " the hereditary stewards and distributors of wealth " [2] ; the local squire stood *in loco parentis* to the little community attached to him by bonds of sympathy and of love ; the best guarantee of social order and of obedience to law was that feeling of neighbourliness born of a traditional supremacy which the landed interest had always enjoyed in the English political system. Now it was proposed to overthrow that supremacy and to vest it in a class too concerned with the claims of capital, too absorbed in the search for cheap markets and profits, to dispense the rule of kindliness, love and sympathy.

Those who support the measure are, above all, anxious to disprove the charge that it was introduced in the interests of any single class. England had already experienced the blessings of free trade in corn. The Act passed in 1773 practically abolished all restrictive duties, with the result that both agriculture and industry flourished. Indeed, the economic life of a nation could not be explained by assuming a facile antagonism between the landed and commercial interests. A prosperous industry must mean a prosperous agriculture ; for during times of good trade the

[1] *Essays on Reform*, p. 158. [2] Vide *Hansard*, 3. S., vol. lxxxvi, p. 407.

purchasing power of the community is increased, and this, of course, implies an increased demand for the farmer's produce. Moreover, to the charge that its measure would involve a change in the repository of political power the Government returned a flat denial. On the contrary, indeed, it understood only too well that land was the safest basis upon which political power could be built. On the other hand, those who had the well-being of the working class at heart would do well to remember that the Corn Laws, by imposing a tax upon its food, extorted from it a contribution unjustly disproportionate to its ability to pay.

Clearly, therefore, there was no radical difference in outlook between the two parties in the House. Both would seem to approve of the formula that property had the strongest of claims to be represented in the Commons. The pith and substance of the attack on the measure was that it would change the repository of political power, robbing land of its traditional predominance, while conferring almost a monopoly of political power upon another kind of property. It never occurred even to a single member to question this " property " theory of representation—in short, the claim of " economic interest " to tilt the State in its own direction was accepted on all sides.

Let us now turn to analyse the behaviour of these interests in the lobbies. The Second Reading of the measure was carried on March 27th, 1846, by 302 votes to 214, leaving the Government with a clear majority of eighty-eight. The following table gives the economic affiliations of both those who voted for and against the Bill:

TABLE I

	Ayes (302).	Noes (214).
Landholders	176	184
Navy	12	8
Army	37	29
Lawyers	44	19
Cotton and other Textiles	12	1
Colliery Proprietors	1	—
Finance	43	15
Railways	36	19
Shipping	5	1
Transport (Canal Cos., etc.)	3	1
Metal Mfg. (Iron and Steel, etc.)	8	4
Merchants	40	12
Shipbuilders	1	—
Newspaper Proprietors and Editors	4	—
East and West India Proprietors	18	10
East India Co. Directors	5	1
Brewers and Distillers	1	2
Manufacturers (misc.)	10	—
Indian Civil Service	1	—
Doctors of Medicine	1	—
Diplomatic Service	2	—
Authors and Literary People	10	2
Secretaries to Ministers	—	1

These results can be compared with those obtained for the division on the Third Reading of the Bill. The measure passed through the House by 327 to 229, thus leaving the Government with a clear majority of ninety-three.

Table II gives an analysis of this division:

TABLE II

	Ayes (327).	Noes (229).
Landholders	203	197
Navy	13	9
Army	40	30
Lawyers	51	16
Cotton and other Textiles	12	1
Colliery Proprietors	1	—
Finance	43	13
Railways	32	26
Shipping	5	1
Transport Cos.	3	1
Metal Mfg.	5	4
Merchants	41	13
Shipbuilders	1	—
Newspaper Proprietors and Editors	4	—
East and West India Proprietors	20	12
East India Co. Directors	6	1
Brewers and Distillers	2	2
Manufacturers (misc.)	12	1
Civil Service	1	—
Doctors of Medicine	1	—
Diplomatic Service	2	—
Authors and Literary People	6	3

The significance of these two divisions will be better grasped if we embody the two series of figures together with the total number of these interests in the House in one table. For the sake of accuracy the interests returned both at the General Election held in 1841 and in 1847 are given.

A few comments may be made on this table. It is, of course, clear that both the industrial and the manufacturing interests were solid in favour of the measure. One or two examples will show this. Fourteen representatives of the "textile" industry were returned to the House elected in 1841; and of these, thirteen took part in the division on the Second Reading, in the proportion of twelve for the measure to one against. Similarly, exactly the same number went into the lobbies on the Third Reading and cast their votes in the same manner. The "merchant" group, too, behaves in the same way. Out of its fifty-five representatives fifty-two voted on the Second and fifty-four on the Third Reading, in the ratios of forty to twelve and of forty-one to thirteen respectively, in favour.

It is equally clear that the "professional" classes do not give the measure such a whole-hearted support. Thus, out of the seventy-seven lawyers returned to the House in 1841 sixty-three

TABLE III

	Ayes.		Noes.		Total Votes.		House Elected 1841.					House Elected 1847.				
	Second Reading. 302	Third Reading. 327	Second Reading. 214	Third Reading. 229	Second Reading. 516	Third Reading. 556	Total.	Lib.	Cons.	Rad.	Repeal.	Total.	Lib.	Cons.	Rad.	Repeal.
ECONOMIC SIGNIFICANCE.[1]																
Landholding	176	203	184	197	360	400	495	168	301	12	14	464	187	257	4	16
Navy	12	13	8	9	20	22	26	12	14	—	—	16	8	8	—	—
Army	37	40	29	30	66	70	79	32	45	1	1	89	36	50	1	2
Lawyers	44	51	19	16	63	67	77	31	36	4	6	80	35	35	6	4
Cotton and other Textiles ...	12	12	1	1	13	13	14	8	2	4	—	14	8	2	4	—
Colliery Proprietors	1	1	—	—	1	1	2	1	1	—	—	1	1	—	—	—
Finance	43	43	15	13	58	56	63	31	28	4	—	67	36	28	2	1
Shipping	5	5	1	1	6	6	7	4	3	—	—	7	5	2	—	—
Transport	3	3	1	1	4	4	4	2	2	—	—	13	10	3	—	—
Metal Manufacturing	8	5	4	4	12	9	13	5	7	1	—	10	5	3	2	—
Merchants	40	41	12	13	52	54	55	29	17	8	1	56	37	11	6	2
Shipbuilding	1	1	—	—	1	1	2	2	—	—	—	2	2	—	—	—
Newspaper Proprietors	4	4	—	—	4	4	5	4	—	1	—	5	3	—	2	—
E. and W. India Proprietors ...	18	20	10	12	28	32	33	9	21	3	—	25	9	13	3	—
E. India Co. Directors	5	6	1	1	6	7	7	2	5	—	—	7	4	3	—	—
Brewers and Distillers	1	2	2	2	3	4	10	2	3	1	4	3	—	3	—	—
Manufacturers (miscellaneous) ...	10	12	—	1	10	13	14	9	4	1	—	11	7	4	—	—
Civil Service	1	1	—	—	1	1	2	2	—	—	—	3	2	—	1	—
Doctors of Medicine	1	1	—	—	1	1	1	—	—	1	—	1	—	—	1	—
Diplomatic Service	2	2	—	—	2	2	7	3	4	—	—	5	4	1	—	—
Literary Men	10	6	2	3	12	9	14	6	6	1	1	29	11	12	5	1
Secretaries to Ministers	—	—	1	—	1	—	—	—	—	—	—	4	2	2	—	—
Railways [2]	36	32	19	26	55	58	—	—	—	—	—	86	41	39	3	3

[1] The totals of the columns considerably exceed the total numbers of votes, since some members represented two or more economic interests.

[2] No reliable "Railway" statistics are available before 1847.

only felt interested enough to vote on the Second Reading, while but four more voted on the Third. Still, this comparative lack of enthusiasm does not mean that the legal profession was undecided in its attitude ; forty-four for, as compared with nineteen against, on the Second, and fifty-one for, compared with sixteen against, on the Third Reading does not leave much room to doubt the bond of economic kinship existing between an increasingly complex industrial civilisation, involving the emergence of new problems and demanding the definition of new rights and duties, and a profession which traces its rapid growth to this increasing complexity of social life.

There is, then, no need to labour this point, that the movement for the repeal of the Corn Laws derived its main support from the solid backing of the industrial and commercial classes. Indeed, but a glance along the first two columns of Table III will suffice to convince us that this was so ; while a comparison with the land-holding interest, showing that out of a numerical group of 302, 176 voted for, and that out of a numerical group of 214, 184 voted against the measure on the Second Reading, only serves to strengthen that conviction.

Another point of interest is that the divisions on the Bill do not coincide with the representation of interests by party. To illustrate this let us consider the " miscellaneous manufacturer " group. In the House elected in 1841 this group was fourteen strong ; its dispersion among the different parties was as to nine Liberals, four Conservatives, and one Radical. On the Third Reading thirteen out of this group of fourteen participated in the division, twelve voting for and two against. An analysis of the " finance " group only emphasises the same tendency. Thus, of the sixty-three representatives of this group which sat in the House of 1841, thirty-one were Liberals, twenty-eight Conservatives and four Radicals. Adding the Radical to the Liberal interests, we have a group of thirty-five which we can presume to favour the measure. On analysis, however, it is found that on both the Second and Third Readings forty-three voted for, while only fifteen and thirteen respectively went against. As has been already shown, neither of the two big parties gave a whole-hearted support to the proposal we have under review ; seemingly, then, our analysis merely goes to prove that, when party ties are loosened, the individual member shows a distinct tendency to represent the economic group from which he is drawn.

There is, perhaps, just one other thing to which it is worth while drawing attention. The behaviour of the " railway " group goes

to prove that this interest is, as it were, the link connecting the "landed" with the "new" order. It is clear that the group is neither very constant nor very solid in its support of the measure. Thus out of the eighty-six returned to Parliament in 1847, fifty-five and fifty-eight respectively took part in the two divisions; clearly, by comparison with the zeal of both the "textile" and the "merchant" groups, this was not a very high proportion. But further, on the Second Reading thirty-six voted for, while nineteen went against; while on the Third Reading this margin was further reduced, when actually twenty-six went against, as compared with the thirty-two in favour.

This peculiarity of behaviour becomes still more marked by a comparison of "railways" with the movements of the other "transport" element, "shipping." Our statistics prove quite clearly that "shipping" showed a very great interest in the measure; indeed, six out of the group of seven returned in 1841 took part in the division on both Readings. Further, according to dispersion by party, four were Liberals and three Conservatives, but in the lobby five were in favour and one against on the two occasions.

"Railways," then, show a very distinct tendency to be more "Protectionist" than the other commercial and industrial elements in the House. The reason why this is so must obviously be traced to the fact that the railway industry was a favourite field of speculation with the "landed" order. The new transport had, inevitably, become part and parcel of their estates, and it was no wonder that they desired a voice in its management. Still, first and foremost, they belonged to the soil, preferring, when need arose, to act as the advocates of its cause rather than to accept the rôle of guardians of any other industry.

The results obtained by this analysis seem to point to the inadequacy of the older theories of Parliamentary representation. Some would urge that a member's duty is, first and foremost, to plead the cause of his own constituency; others, that "party" considerations should have the first claim on his allegiance. But whether it is desirable that a member should put his constituency before "party" or vice versa, this, at any rate, seems to be clear, that as long as he is riveted to an economic group, that group will never lack an advocate of its cause in the House of Commons.

The Significance of the Farmers of the Customs in Public Finance in the Middle of the Seventeenth Century

By W. Percy Harper

Long before the seventeenth century kings of England had found it inconvenient and frequently impossible to wait until all their revenues had been collected, they had perforce to resort to various methods of anticipating their revenues and, on occasions of special urgency, they sold for ready money the right to collect and receive certain revenues for a fixed period. The sixteenth and seventeenth centuries brought with them certain economic and political conditions which thrust financial considerations into prominence and which involved unprecedented thought and development in the sphere of English national finance. The influence of the precious metals of the New World on the general price level of the Old World, the growth and extension of capitalistic organisation not only in overseas trade, but also in industry in England itself, the political troubles, only just averted by the statecraft of Elizabeth and aggravated, even to the extent of prolonged Civil War, by the Stuarts,—all these circumstances, for the most part outside the control of national Governments, involved an increased demand for ready money.

These factors tended to add to the existing difficulty of the problem of financing a modern national Government out of a revenue based on the assumption of a mediæval state. Elizabeth, conscious of this difficulty, achieved a reputation for parsimony. James I appears to have been almost unconscious of it, with the result that Charles I found the problem well-nigh insoluble. By his time, in fact, the problem had become one of financing the Government, not out of current revenue, which for the most part had all been used up for several years in advance, but out of loans and advances in anticipation of revenue which would not fall due for years. Thus, methods of making advances to the Government in anticipation of revenue, or, in other words, the business of

floating Government loans, assumed in the seventeenth century an importance far greater than it had ever previously attained.

One of the favourite methods of anticipating revenue consisted in the practice of farming the customs to a group of men in return for the immediate payment into the Exchequer of a lump sum and for the contract to pay a fixed annual rent. This method was particularly attractive to the Crown. On the one hand, the farmers provided the Government with the ready money it so urgently needed and, on the other hand, they relieved the Government of the necessity of collecting the revenue. Hence, in the latter part of Elizabeth's reign and during the early Stuart period, the procedure for farming the customs was developed under royal grant, until, by the middle of the seventeenth century, it had attained a position of considerable importance in the scheme of public finance and the farmers themselves had come to occupy a position comparable to that of the great bankers of to-day.

Under the Tudors and the Stuarts the customs of the Port of London were by far the most important part of the English customs business, and we propose, therefore, to confine our attention to the transactions of the farmers of these customs. Our purpose here does not require that we should set out in detail the various negotiations and agreements between successive farmers and Governments between 1570 and 1670, but we must first note such events in the history of the farm of the customs as are necessary to the understanding of the part the farmers played in the organisation of the finances of the country. We shall then be able to give our attention to a few general considerations underlying the farmers' contracts in order to gain some idea of the nature of the business they conducted.

Professor Newton has explained how the main features of the procedure of farming the customs were established in the last thirty years of Elizabeth's reign, and he has described the pioneer work of John Smith in that connection.[1] During James's reign and for the first six years of that of Charles I the farm had been let on annual contracts. This had resulted in a fixed annual income to the Crown of about £150,000, and many felt that no effort was made to increase that yield. As a consequence of this feeling, by a contract of 1631, a new arrangement was tried, whereby the farm was let for a period of seven years. In 1638, Charles, in dire need of ready money, desired to secure better terms from the farmers. The seven years' contract ran out in that year and the farm was put up to auction privately among the

[1] *Trans. R. Hist. Soc.* (1918), vol. i, pp. 135 *et seq.*

" old customers " in such a way that two groups among them were bidding one against the other.[1] There ensued a skilfully conducted auction, with the Lord Chamberlain as the auctioneer, which eventually bore fruit in a contract which gave the farm to Sir Abraham Dawes and his group at a rent which represented an increase of about £40,000 a year. But this increase was insignificant in comparison with the royal needs. By 1640 the King's requirements were so pressing and his demands on the farmers so great that it was necessary to resort to the other party among the " old customers," namely, to Sir Paul Pindar and John Harrison. Private negotiations with Charles in person resulted in a new contract, whereby the whole body of the farmers united to hold the farm for four years, from 1640 to 1644, and to supply the King immediately with over a quarter of a million sterling, which they borrowed on their joint bond.

But the King was unable to fulfil his part of the contract. The farmers were swept away in the deluge which descended upon the Court party and they were tossed about helplessly on the troubled waters of the Interregnum until they were rescued by the flood tide of the Restoration. The Long Parliament not only turned them out of office, in May, 1641, but also imposed upon them the enormous fine of £150,000 for their complicity in raising " illegal taxes." Pindar, their treasurer, had to collect this money from each of his partners in sums proportional to his share in the customs business. He was, however, unable to raise such an enormous sum at very short notice without extra help from Sir John Harrison, who came to the rescue of his brother farmers with £50,000 which he had on hand.[2]

The farmers had advanced well over £400,000 within a year, 1640-1, and much of the money thus advanced had been borrowed by them on their own security, they themselves holding " the customs as their pawne."[3] On the defeat of the King at Naseby, they found themselves without the customs revenue and without recognition of the loan they had made to the King. Recognition of the debt they managed to obtain from both King and Parliament, but, as no money was forthcoming from either, the farmers, as well as their creditors, had to remain unsatisfied. The farmers were between the devil and the deep sea. In order to try to stem the tide, they met their creditors in July, 1652, at Ironmongers'

[1] The two groups were: (1) Pindar, Harrison and Wolstenholme. (2) Dawes, Jacob, Harby, Nulls (treasurer), Crispe and Lord Goring (1639-41). Each farmer, except Harrison, had an " underpartner."

[2] In January, 1641, he had lent this sum to the King; it had just been repaid to him at the Guildhall, London.

[3] B.M., *Stowe MS.*, 326, fol. 85.

Hall.[1] After many abortive discussions at one another's houses, where tempers ran high, the matter appears to have been submitted to referees [2]—prominent merchants, well known in the London money market—who issued their report in 1654. That report revealed a state of virtual bankruptcy, but owing to the activity of a few of the customers, and especially of Sir Job Harby, the actual declaration of bankruptcy was avoided.

The Restoration of Charles II meant the restoration of the hopes of the four surviving farmers and, incidentally, of those of their creditors. Harby, Jacob, Crispe and Harrison, therefore, presented a remonstrance reminding Charles of the long-standing debt of over £250,000, and pointing out to him that their creditors were already commencing suits in law. By April, 1661, having joined with Sir John Shaw and John Wolstenholme, the son of the "old customer" of that name, they obtained approval of a working proposition which put the farm back into their hands.[3] Thus, by 1660, the farmers had become an essential part of the financial machinery of the State. The extreme necessities of the time had enabled them to become indispensable to the Government because that Government could neither do without their help in the present nor clear off its liabilities to them for their undertakings on its behalf in the past.

Underlying all the protracted negotiations and numerous contracts between the farmers and the Governments concerned, certain general considerations were always present. From the point of view of the Crown, the most important consideration was that the farmer should be able and willing to advance ready money at short notice. He was expected at least to put down an agreed sum upon assuming office and, during his tenure, to meet such Government liabilities as that authority chose to lay upon him. An ideal farmer met recurring Government liabilities without a murmur, even when he had insufficient revenue proceeds in his hands. From the point of view of the farmer, the most important consideration was that the customs duties should yield him sufficient not only to repay himself both the capital advanced and not less than 8 per cent. interest thereon, but also a salary for supervising the collection of those duties.

Over and above all this, the post at the customs house was

[1] B.M., *Stowe MS.*, 326, fol. 107. Referees included Recorder Steele, Sir John Wollaston, Edmund Harby, John Foulke.

[2] *Ibid*, 185, fol. 11, 13, 17-28.

[3] B.M., *Stowe MS.*, 326, fol. 102*b*. The farmers advanced another £150,000, and Charles agreed to repay them £50,000 every six months for four years. Since Parliament made no provision, the King did it out of his grant of £1,200,000. Cf. Shaw, *Cal. Tres. Bks.*, pref. pp. xix, xx.

considered a valuable prize and was much sought after by certain merchants and courtiers of London. " The value of such a post arose not merely from the fees received, but also from the fact that the accountant could accumulate large balances of ready money in his hands and could hold them for a considerable time before paying them over. . . . At a time when fluid capital was scarce these balances could be used to great advantage by an astute accountant and he was safe so long as his speculations went well."[1] The risk thus involved led the Government to seek a substantial merchant or wealthy landowner for the post. Such a one, for instance, was Sir John Harrison, who held the farm during the greater part of the reign of Charles I and who found it extremely profitable. As a young man he came to London with Lord Treasurer Salisbury, Secretary of State, and was sent into the family of John Wolstenholme, who had been rising in the customs office since 1604. There he learned the customs business, wherein he prospered exceedingly. Starting with twenty marks and considerable influence, he was able to lend Charles I £50,000 in 1641; he lost £130,000 during the Civil War, yet, on his death, in 1669, at the age of eighty, he left, in addition to other bequests, estates worth £1,600 per annum to his son. When the Long Parliament turned him out of office, in 1641, it was reported that his share of the " neate profits " of the greater farm of the customs was £4,133 and that the other farmers had made a great deal more.[2]

These balances were used to great advantage. By an analysis of the relations between the farmers and the King, of their relations with one another and with the outside world, we shall see how they used those balances and we shall obtain a clearer idea of the nature of the functions they performed in the financial world of the mid-seventeenth century. With regard to their relations with the King, one cannot but be struck by the intimacy and the directness with which Charles I dealt with Pindar, Harrison and Wolstenholme. Pindar was regarded as a sort of rich uncle upon whom Charles could draw at need. He " never fails the King when he has the most need."[3] In 1640 Pindar attended the King, and Charles desired him " for God's sake to help him, with language of such expression as inforced Sir Paul Pindar to weepe upon relation of the sad story of His Majesty's deplorable condition."[4] Charles met Harrison privately in the corridors at Whitehall and thanked him personally for the loan of £50,000 in 1641.

[1] *Trans. R. Hist. Soc.* (1918), vol. i, pp. 135 *et seq.*
[2] *Memoirs of Anne, Lady Fanshawe*, ed. John Lane, 1907, pp. 21-23, 326.
[3] *Cal. S. P. Dom.* 1639, p. 3.
[4] B.M., *Stowe MS.*, 326, fol. 71.

The atmosphere of privacy is, perhaps, what one would expect as a necessary condition of such personal dealings between the King and his money-lenders, but it must be remembered that Court intrigue and wire-pulling were inseparable from transactions carried on under such conditions.

More interesting from our point of view are the relations of the farmers to one another, for the story of those relations is the account of the organisation of one section of the London money market. Even a superficial knowledge of their dealings gives one some impression of their enormous resources both tangible and intangible ; both actual capital and credit among their neighbours. Together in 1640 they raised about a quarter of a million sterling ; in 1641 they raised another £150,000 and, in spite of their loss of office in that year, they managed, some time after the report of 1654, to put up nearly £54,000 to meet one-third of their immediate liabilities. The detailed account of these transactions enables us to obtain some indications of their relative wealth and of their relative solvency. Pindar and Harrison appear to have been the most successful financiers ; Harby was able to make out a good case for himself, but he had to complain of the treatment meted out to him by his fellows. Dawes, on the other hand, appears to have got his finances into disorder, perhaps by dabbling in other undertakings such as the draining of the Fens. Lord Goring, who was introduced by Charles in 1639, never brought anything but financial difficulties to his fellow customers. With fortune—in both senses of the word—varying so widely, there is little wonder that business meetings held at one another's houses often broke up in storm and tempest after having accomplished nothing.

One of the most difficult problems they had to solve concerned the arrangements made among themselves for the purpose of raising large sums. Generally speaking, partnership was favoured, because it was a freer and more individualistic organisation than the joint stock agreement that was frequently proposed as an alternative. Under a partnership agreement, each one could put up as much as was convenient to him at the moment, and he could then receive a proportional share in the profits. Moreover, his liability was restricted to a similar proportional part of the charges on the customs. But, occasionally, efforts were made to organise a kind of joint stock agreement, whereby they could raise money on their joint bond. Under such an arrangement it appears that each farmer would become liable to the extent of the whole sum raised on such a bond. Hence, in 1638, those whose finances were sound saw the danger of too close a union with a

courtier like Lord Goring, who had no financial resources whatever. Afterwards, in 1640, when Goring had dropped out, the others, with Pindar and Harrison, managed to agree to a double course, whereby each contributed not merely as a partner, but also each set his seal to a joint bond upon which were raised various sums towards the £250,000 and the £150,000 mentioned above.

Most interesting of all, perhaps, are their relations with other men who were not farmers of the customs. In their transactions with outsiders the farmers appear each as the centre of a circle of creditors and all, collectively, surrounded by a larger body of creditors. The farmers lent large sums of their own money, but not all the money they advanced came from their own private resources. In their statements made before various committees, in the list of creditors published by Sir Job Harby in 1650, and in the list of creditors endorsed on the report of 1654, it is manifest that the farmers borrowed from people with whom they came into contact in carrying out the normal duties of their office. Most of these creditors had no direct interest in the farm of the customs. They were merchants, citizens or strangers, or their widows, whose names are nearly all to be found in the lists of people of ability to lend and who were expected to contribute to loans raised in the City for the King or for Parliament between 1640 and 1650. That is to say, the farmers were able to approach the ordinary rich Londoner who had money to invest. Among their creditors, though they remained nameless, were those Spanish merchants whose bullion in the Tower had been seized in 1640, and those East India merchants whose pepper had been taken about the same time.[1] Others, like Tainturier, one of the "Merchant Strangers not being free of the City," who advanced £8,020 between them in the summer of 1642 for Ireland,[2] were merchant adventurers. Others, like Sir George Whitmore and Sir William Acton, who lent large sums to the Livery Companies, were royalists of whom we lose trace after about 1643. Others again, were merchants, who became the "new customers" by taking over the business in 1641 or in 1645, at the instance of Parliament. The majority appear to have been merchants who had more security than the mere bond of the farmers in the sense that, in the course of their business, they themselves paid large sums as customs duty and doubtless assumed that they could easily recoup them-

[1] This was the famous "seizure of bullion in the Tower." The fact that it was treated as a loan and was duly repaid is worthy of note. cf. B.M., *Stowe MS.*, 326, fol. 72.

[2] *S. P. Dom.*, Chas. I, 493, No. 32, fol. 82-3.

selves by the non-payment of duty with or without the connivance of one or other of the farmers. Such procedure would scarcely be regarded as exceptional by the seventeenth-century public servant.

There were still other ways in which men became creditors of the farmers. Merchants sometimes kept a deposit with a farmer of the customs to cover customs charges for which they expected to become liable. Dawes, who was His Majesty's collector in the Port of London, Inwards, had been in the habit of receiving such deposits in advance. The practice was advantageous to both sides. Merchants could get their goods through quickly, without even waiting for the amount of duty to be determined by discussion in Parliament ; customers not only had a balance of cash in their hands, but also found collection assured and simplified, because, in such cases, it was reduced to a mere matter of book-keeping.[1] A merchant, then, could keep a kind of current account with the farmer or his servant.

It was open to anyone, whether he were a merchant or no, to acquire claims on the farmers simply by purchasing assignments on the customs revenue. The referees of 1654 stated in their report, to which we have referred above, that the farmers owed £68,128 by assignments. Now of that sum, no less than £10,651 was due to one man—Smithsby. It seems that these assignment tallies circulated in the open market in a somewhat similar way to that in which bank notes are current to-day. The value of a tally depended upon the general estimate of the yield of the customs taken in conjunction with the number issued ; its acceptability, upon the good name of the farmers. The effect of both these influences was largely determined by the total issue of assignment tallies. Just as bank notes would depreciate if they were issued with as little regard to cover as assignment tallies were struck, so, of necessity, there appeared a difference between the face value and the exchange value of the tally. Thus, Smithsby discovered—and there is no reason to assume that he was alone in his discovery—that assignments could afford a lucrative field for speculators. He " bought in cheap assignments of all sorts of old debts, some of which were struck only one month before the Long Parliament met and on revenue not due till 1644. It is alleged that he hath, by suits and other ways, had from them about £4,500 in money."[2]

[1] *L. J. V.* 689, August 15th, 1642. After Dawes's death, it transpired that sums had been deposited with him to cover payment of customs duty, the amount of which could not be ascertained because the Act setting forth the method and amount of tonnage and poundage to be collected had not been passed.

[2] B.M., *Stowe MS.*, 185, fol. 17 *et seq.*

In their relations with the outside world, then, the farmers appear most like modern bankers or financial agents, through whom money is lent to the Government. They lent money to the King; they borrowed money from the rich people—from the wealthiest members of the commercial community of London. Like the farmers in France, they were the intermediaries through whom the prosperous middle classes lent money to the Government. They were, in this sense, the self-appointed agents of "les classes moyennes: les ecclésiastiques, les gentilshommes, les marchands qui recouraient à l'intermédiaire des traitants pour prêter au Roi."[1] The farmers lent not merely their own money, but also, to a large extent, other people's money. In this way they were acting, tentatively, irregularly, and not of set purpose, essentially as a bank acts to-day. The distinctive function of a bank is the lending of money borrowed from its depositors. The farmers borrowed money to lend again; they even had some depositors too. The analogy between the farmers of the seventeenth century and modern bankers can be carried further still. Assignment tallies were current drafts on the farmers; bank notes are current drafts on the banks. The notes, it is true, are issued by the banker and the tallies were struck by the government against the customs, which were the farmers' capital. But the difference is not fundamental, it is rather one of method. The issue of notes is nowadays recognised as mainly the concern of Government finance and the bankers' action is limited. And, moreover, the issue of notes is not the distinctive function of a bank; it is merely a convenient part of the mechanism which enables the bank to function more smoothly. The essential function of a bank is to lend the money with which it is entrusted. Just as the modern bank is the creditor of the Government, or of a circle of borrowers which includes other banks, so the farmer of the customs was the creditor of the Government or of a circle of borrowers which included other farmers. Just as the banker of to-day is surrounded by a circle of creditors—his depositors—so the farmer was surrounded by a circle of creditors, some of whom were ordinary depositors.

We are justified, therefore, in calling the farmers bankers and not merely the King's money lenders. Considering the value of money in the seventeenth century and the comparatively small figure at which one usually estimates the national income at that time, the size of the farmers' financial achievements is striking.

[1] Germain Martin, *L'Histoire du Crédit en France sous la règne de Louis XIV*, ed. 1913, t. i, p. 31.

The amazing fact is not that the farmers' transactions were on a smaller scale than those of modern banks, but that the farmers, a mere handful of men acting as partners, sometimes even individually, were able to carry through transactions of such magnitude. Nowadays, if five or six men could in a few days advance £40,000,000, or, in other words, a sum equal to one-twentieth part of the annual revenue of Great Britain, we should have little hesitation in referring to them as wealthy bankers.

Notes on Some Probable Consequences of the Advent of a Stationary Population in Great Britain[1]

By Lionel Robbins
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I

The fact which gives occasion to my remarks this evening, the near approach of a stationary condition of population in Great Britain, is one which should be of peculiar interest to the Political Economy Club, since it was the subject of a very remarkable prediction on the part of one of its most distinguished members. It is now more than a quarter of a century since Professor Cannan predicted that by 1941 the increase of population in this country would have become negligible ;[2] and what then might have been regarded as a paradoxical and irresponsible piece of prophecy has now become part and parcel of the expectations of all those who are not deliberately blind to the tendencies of our day. The fall in the corrected birth-rate, which he anticipated, has continued ; and, as Professor Bowley has recently shown, we have only to apply recent death-rates to the population now in existence, and to make the very reasonable assumption that the number of births will not increase, for the advent of a stationary population round about the 'forties to be a matter of exact demonstration.[3] No doubt it is true that even now these assumptions may be falsified. No one would claim for the predictions to which they lead more than a moderate degree of certainty. You can never be perfectly sure what will happen to the number of births and deaths. But taking a broad view of the probabilities of the situation, I submit it is not unreasonable to hold that a stationary population in the very near future is a possibility which we do well to take serious account of, and I therefore make no further apology for venturing

[1] A paper read before the Oxford Political Economy Club, October 27th, 1928.
[2] The Probability of the Cessation of the Growth of Population in England and Wales during the Next Century. *Economic Journal*, 1895, p. 505 *seq.*
[3] Bowley, Births and Population in Great Britain, *Economic Journal*, June, 1924, pp. 189-92. Professor Bowley assumes that there is no migration.

to raise for your consideration certain consequences which may be expected to accompany its advent.

II

Before I do this, however, I wish to remove certain possible misapprehensions as to the scope of my intentions. It is no part of my business this evening, as I conceive it, to expound once again the familiar analysis of stationary conditions in general—the stationary state of Adam Smith and Marshall, the static conditions of J. B. Clark and his followers. For it should be obvious that the conditions I wish to examine are not likely to exhibit the phenomena of *total* stationariness. Even though the growth of population comes to an end, it is most improbable that other tendencies to change will suffer a similar extinction. Accumulation may proceed, natural resources be discovered or exhausted, the technique of production may change and there may still be fluctuations in consumers' demand, even though the population be stationary. Indeed, it is one of the assumptions of my discussion that such tendencies to change are still present, and that it is desirable to know what differences in their mode of operation are likely to follow from the cessation of the further complication of the growth of numbers.

Nor, secondly, do I wish merely to investigate the formal conditions of the moving equilibria which we may conceive to arise in such circumstances. Such an investigation, indeed, would not be without theoretical interest. For instance, it could be shown that, granted the supposition of a fixed labour supply, much of what is true in the old theories of rent can with equal justification be asserted of wages. But what I want to do here has a less purely formal character. Taking for granted the generalisations of pure theory concerning the state of affairs we are contemplating, I want to ask what differences we should expect to find between conditions as they will be then, and conditions as they have been when population has been increasing. Such a procedure has a double advantage. Not only does it enable us to generalise more firmly about the future : it also compels us to re-examine very thoroughly our beliefs about the present. It is possible, I think, that we have been too apt to assume as permanent facts of the economic system, things which in reality are only the transitory phenomena of a time when population is growing. The mode of inquiry I propose may make us more alive to the true nature of our assumptions.

Finally, it is perhaps necessary for me to say that, in so far as I

do not expressly confine myself to mere statements of what seem to me to be probabilities, in everything that follows, I shall be discussing *tendencies*. When, for instance, I argue, as I shall, that there will tend to be less mobility of labour, with a stationary population, I do not mean to commit myself to the prediction that the mobility of labour will be *actually* less. Of course, changes which I do not discuss may counterbalance the tendency in question. All that I mean is that there will be present factors which would produce a diminution of mobility, if other things not obviously consequentially connected with the change I am discussing were to remain unchanged. This, of course, is a qualification which will be taken for granted by all who are familiar with the technique of economic analysis, but the number of intelligent men who are not so familiar is not yet sufficiently small for it to be safe to generalise without stating it explicitly.

III

I come now to the first of the two main divisions of my inquiry. What will be the effect of the cessation of growth of population on production?

A. Look first at the aggregate volume of production. I do not think that we ignore the probabilities of the situation if we predict that the rate of growth of this aggregate will show some diminution. Of course, this is not in any way necessary. But accumulation and improvements in the technique of production will have to proceed at a rate quite unprecedented in history, if, without additions to the population, production is to grow as fast as it has done with them. If this does not take place, then we may expect that the various indices which afford a rough guide to the fluctuations of production, the volume of imports and exports, the physical index of production, and so on, will show a tendency to flag.

Now, of course, so far as the fixed charges on the national revenue are concerned, this does possess some negative significance. If it is true, then there is no prospect of a progressive easing of their burden per head from an increase in the number of producers. What to our fathers was one of the main liberators from the dead hand of the past will not be accessible to our children. But outside this comparatively narrow sphere, a slackening of growth of aggregate production *due to this cause* has no significance whatever. No doubt that section of the public which is apt to be moved by the crude magnitude, rather than by the real significance of official statistics, will be seriously alarmed.

But since, public finance apart, it is *average* and not *aggregate* production which matters, this attitude will not be justified. There is no significance in an aggregate of production until it is related to those who have produced it.

B. But what then may we expect to be the effect on average production? This is a matter about which prediction is vastly more difficult.

1. So far as changes resulting from the mere quantitative relation of numbers to material equipment are concerned, the utmost caution is necessary. I have discussed elsewhere my reasons for thinking that our present state of knowledge is inadequate to enable us to make precise statements about this matter, and I will not repeat them here.[1] But I will say that, taking a broad view of our resources and the present technique of production, I do find it very hard to believe that there are many advantages to be gained by further increase, which would not be more than counterbalanced by the obvious disadvantages. If this view be correct, then it would follow that a condition of stationariness in the labour supply, accompanied by continued accumulation and technical progress, would be more favourable to production per head than a condition of further growth. But all this is mere conjecture—there is no agreement among economists on this matter.

2. Thus far analysis is comparatively sterile. We are on firmer ground, I think, when we turn to questions relating to the quality of the population.

(*a*) Thus, in the first place, if we grant the probability of the cessation of the growth of population at all, it is possible to make certain very definite predictions with regard to the age composition of the population. Indeed, as all those who are acquainted with the work of Professors Bowley and Cannan[2] must realise, it was by way of examination of the future of different age groups that the wider prediction was arrived at. It is quite clear, I think, that we must look forward to a time in which there will be more old people—more absolutely than there are now, more proportionately to the other age groups in the population. Professor Bowley's estimate, for example, for 1971 gives 5.1 millions for the age groups 65 and over, as compared with 2.6 millions for 1921, the age group 15-65 having in the meantime increased only from 14.9 to 16.2 millions. And, of course, these figures underestimate this aspect of the situation, for what increase there is in the group 15-65

[1] *London Essays in Economics*, edited Dalton and Gregory. The Optimum Theory of Population, pp. 103-134. See also Cannan, *Wealth*, 3rd edition, pp. 59-62.

[2] *Op. cit. passim.*

occurs almost entirely in the upper reaches. The group 20-45 remains practically almost constant (8.643 millions to 8.679).

Now, of course, productive power is essentially a relative conception depending partly on what it is desired to produce. It is possible to conceive, therefore, certain social demands to which a population weighted in this way could respond more adequately than a population of the same size with a greater proportion of its members in lower age groups. If poetry be the sphere of the relatively young and prose of the relatively old, then it is clear that in this new period of our development a demand for prose could be more adequately supplied per head than in periods when youth was more dominant. If, at the same time that specific power to produce such things increases, consumers demand changes in a similar manner, then, from the purely economic point of view, the change is a matter of indifference. But, if the demand for products which a more youthful population is better fitted to produce, is not thus superseded, then the power of society to satisfy its own demands will have weakened.

Such fears, I suggest, are not without substance. So far as general undifferentiated power to do tasks calling for vigour and endurance are concerned, there can be little question that productive power will tend to diminish. If we assume that work of this sort ceases at the age of 65, then, since what increase is to be expected will be chiefly in the group 65 and over, the productive groups remaining constant, this becomes obvious. To get the average for the whole population, the aggregate produced by the constant age group must be divided by a larger quantity. Nor does the loss seem likely to be less considerable when we turn to the higher functions of leadership and direction. On the contrary, it is here that the prospect is most depressing. The progress of invention may come to render the brute strength of youth and early middle age less and less essential to production. It will not diminish the need for vision and imagination. Already we begin to hear of too great a preponderance of the old in the higher councils of industry. If the statistics I have quoted be correct, this is a cry which will not diminish.

From this point of view we can perceive a probable complication in the course of national finance which is worth while mentioning at this juncture. The probable increase in the number of old people means a probable increase in the number of old age pensioners, a fact which, of course, is recognised in the latest pension scheme. Since, at the same time, the numbers of the productive classes will have remained roughly constant while their age

composition will have changed if anything for the worse, this means that there will be a tendency for the burden of taxation to become heavier. Most discussions of the effects of taxation are absurd because they do not take account of the effects on production of the expenditure of the proceeds of taxation. Taxation expended on education or research, for instance, cannot be said necessarily to diminish the volume of production. But we run no risk in assuming that, whatever its other effects, the money we spend on pensions is a dead weight on production. This is not to say that such expenditure is inadvisable. Nor is it to urge an increase in the birth-rate in order to ease the subjective costs of this form of public expenditure.

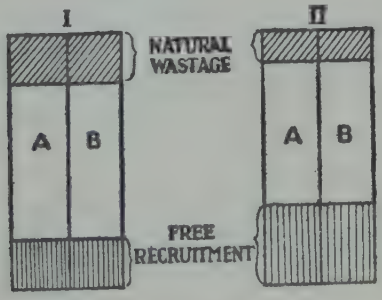
(*b*) I now come to a matter of greater theoretical interest. We have seen that our stationary population will tend to be a less vigorous population. It can also be contended, I think, that it will tend to be a less rapidly adaptable population. Other things being equal, the flexibility of the labour supply is likely to be less, and therefore at any given time the distribution of labour between occupations is likely to be further away from the distribution most appropriate to the demand and conditions of production of that time, than it would be if the labour supply were more flexible.

This is perhaps a hard saying, and to those who conceive of the flexibility of the labour supply as depending wholly on the ability and willingness of adult workers to change from one occupation to another, it is likely to be completely unacceptable. And, of course, if this were the only circumstance determining the ease with which the labour force can be relatively strengthened at one point, relatively diminished at another, this attitude would be entirely justifiable. But in fact it is not so. In fact the flexibility which arises from the presence of a free group of workers not yet committed to any industry is at least as important. The new generation forms, as it were, a mobile body of recruits, which, within the limits indicated by the doctrine of non-competing groups, can be directed to those points on the line where they are most needed, without withdrawing any forces already committed. When the population is stationary, this free force is smaller proportionately to the whole than when population is advancing. Hence the rate at which any disequilibrium can be remedied, without transferring workers already committed to any occupation, is likely to be less in the former conditions than it is in the latter.[1] Of course,

[1] Perhaps the clearest way of presenting this doctrine is by means of a diagram. Let two rectangles, I and II, of equal areas, represent two working populations of equal size, but different tendencies to growth, I being stationary, II still advancing.

technical changes and improvements in the organisation of the labour market may so improve mobility between occupations as to offset this factor. That is a matter about which I have no prediction to make in this paper.[1] All that I contend here is that this tendency will be operative.

Considerations of this sort, I venture to suggest, not only provide an interesting topic of speculation with regard to the future, they also throw a new light on certain opinions of the past. It has been the fashion to denounce the economists of the last century for their too ready assumption of an effective mobility of labour. Writers of the Historical School, for instance, exhibit an almost childish pleasure at the discovery that workers do not necessarily move with great alacrity, and an equally childish indignation with those economists who, according to them, believed that they did. Now I do not wish to say anything that would whitewash the older economists. Perhaps my spiritual parentage in *Dogmengeschichte* may be regarded as rendering me immune from that propensity. No doubt some of these writers [2] did overlook the obstacles to movement both between places and between occupations. No doubt, and this was the more serious omission, they tended to neglect the social barriers and disabilities which make



Let the natural wastage and free recruitment be represented by shaded areas —greatly exaggerated in proportions—at the top and bottom of the respective rectangles, and let an equal division of the populations between two industries, A and B, be represented by the equal division of the intervening areas. If now it is desired to change the *relative proportions* employed in these industries—and of course it is relative proportions rather than absolute numbers which matter in consideration of equilibrium—it should be obvious that the amount released by shutting down recruitment into A when population is advancing is greater than the amount released by similar measures when population is stationary. Hence it should be clear that a greater relative change per unit of time is possible in the former case than in the latter.

[1] It may be contended that modern technique tends to make such movement progressively less difficult (see Cannan, *An Economist's Protest*: War and Commercial Policy, pp. 120-133, especially p. 126). On the other hand, the general Balkanisation of politics since the war and the current tendency to think in terms of the economics of indus*tries* rather than the economics of indus*try*, can be said to be less conducive to optimism. [2] Adam Smith was certainly not of their number.

it impossible for us to regard the whole working population as competing in one market. But when we reflect that the period in which they lived was one in which the proportion of the annual recruitment to the total working population was relatively high, the rate of increase being great, the assumption of a very considerable degree of potential mobility over relatively short periods does not seem so glaringly out of harmony with the facts as exclusive concentration on the possibility of mere transfer might lead us to imagine. It was a mistake to speak as if such a degree of mobility was always to be expected. It was an omission not to state explicitly the conditions which made it possible. But it was a mistake which sprang from too ready a disposition to regard the facts of the moment as permanent, rather than from a disposition to generalise without having regard to the facts at all.[1]

3. This, however, is a digression. We may conclude our discussion of the effects on productive power of the cessation of the growth of population, by turning from the effects on the labour force to the effects on saving. Here, as always with this intractable subject, it is difficult to say anything very helpful. It is fairly clear, I think, that the rate of growth of the aggregate volume of accumulation must diminish. Other things being equal, it is clear that a larger population can save more than a smaller, and it is hard to believe that other things, money income per head, etc., will increase so rapidly after stationariness has set in as to counterbalance this factor. But again the more important matter is the average rate of accumulation, and here I do not think general analysis enables us to see far. It is true that there will be a tendency for the average expectation of life of the community (which is *not* the same thing as the expectation of life of the average individual) to diminish ; for the presence of proportionately more old people must tend to depress the total ; and if, as Cassel suggests,[2] expectation of life is a factor which influences the conditions of supply of saving, then to that extent the rate will tend to be diminished. But, useful as this theory can be in a broad demonstration of the improbability of a fractional or a zero rate of interest, it is doubtful whether its applicability extends to the comparatively small changes we are here contemplating.

[1] If this were a discussion of the cessation of growth of population the world over, we should have to take into account effects on international mobility. Here, I think, if the stationariness were general and were not the result of a positive rate of multiplication on the part of one race and a negative rate elsewhere, the effect would be favourable. Indeed, it is difficult to conceive anything more favourable to the removal of barriers to migration than the absence of different rates of multiplication on the part of different races.

[2] Cassel, *The Nature and Necessity of Interest*, pp. 148-152.

IV

So far in this paper I have been considering the effects of the change we are contemplating on productive power, or the conditions of supply. I now wish to make a few comments on some of its effects on consumption, or the conditions of demand. I do not propose to take distribution directly into consideration.

1. We may notice at the outset certain changes in the direction of demand which seem to follow automatically from the changes in age-composition which we have already noted. The change in the relative size of the age groups will involve a change in the weighting of the social demand schedules which we may perhaps crystallise in the phrase—fewer toys, more foot-warmers. A more important manifestation of the same change will be seen in a tendency to a relative diminution in the demand for educational facilities, and a relative increase in the demand for homes for the old, and so on—a tendency which, of course, is already making itself felt in the national finances.

2. Much more interesting from the theoretical point of view is the change which is likely to come about in the movement of demand for commodities satisfying rapidly satiable wants. It is here, I think, that the value of the mode of inquiry we have adopted becomes most evident. By definition the demand for rapidly satiable wants does not expand rapidly, other things being equal; and if we were considering only the phenomena of a stationary population, that would be all that there would be to be said about the matter. But when we compare this state of affairs with the phenomena of an increasing population, we see that in fact the movement of demand for such commodities must undergo a change of very considerable significance. For, when population is increasing, although the demands of individual purchasers may not extend at all rapidly, the actual quantity demanded may increase very considerably owing to an increase in the number of purchasers. The *aggregate demand* may increase, though the *demand per person* remains constant. Now, of course, such increases are not necessarily absent when population is stationary. Consumption may have been restricted to certain classes of the community and a change of taste or an increase of incomes may bring in new classes of consumers. This would no doubt happen in the case of an increase of money incomes among the poor as regards certain kinds of luxury (it is, of course, a mistake to regard the individual demand for a given luxury as necessarily very expansible). But in so far as the commodity in question is one

whose consumption is already almost coterminous with the extent of the population, for instance bread, this source of expansion, expansion by addition to demanders, is excluded when the population becomes stationary. In a much more ultimate sense we can say that demand is inelastic.

Now all this has a very important bearing upon the probable fortunes of the producers of the commodity in question. If the supply of a commodity, the demand for which is not very expansible, increases, value per unit falls more than proportionately, so that the total proceeds of the sales of the larger amount are less than the total proceeds of the sales of the smaller amount. Hence, if in the industries manufacturing such commodities, productive efficiency improves, there will occur an absolute decline of the incomes of the producers in question, so long as their numbers are not diminished.[1] While population is still increasing, increases in productive efficiency, unaccompanied by a change in the size of the industry, may indeed result in a worsening of the relative position of such producers, but it is not necessary that their incomes should cease to rise. All that may happen is that they do not rise as rapidly as other incomes. When this source of expansion is excluded, however, an absolute decline is more probable, and, if it is to be avoided, a diminution in numbers is all the more imperative.

Such generalisations are, of course, of the widest possible order, and very great care is needed in applying them to the circumstances of our small island in the near future—a bucket of stationariness in an ocean of rapid multiplication. We must not think that so soon as our own rate of increase becomes zero, the absolute position of English wheat producers, for instance, will necessarily be worsened. For, producing as he does for a market which is world-wide, the English farmer will not necessarily be conscious of a tendency to a slight downward fluctuation of demand which is due to the cessation of growth of the community of which he is a member. The elasticity of demand for *his* product is virtually infinite. But in so far as there are products saleable only within the national area, and the object of a demand of the kind we are discussing, the position of the producers will be affected in the way I have mentioned. And when the population of the whole world reaches a point of stationariness, the phenomena in question may become of considerable international importance.

[1] On this point see my forthcoming article on "The Economic Effects of Variation of Hours of Labour" in the *Economic Journal*.

3. Finally, we may notice the effect of the change on that very important category of demand, demand for money.

Here the theoretical developments of the last few years enable us to deal with this matter with great expedition. If, following Marshall and Professor Cannan, we regard demand for money as springing from the willingness of persons and institutions to hold certain quantities of legal tender cash, at any given state of the price level, it is easy to see that one of the main factors affecting the total amount demanded will be variations in the size of the population. A cessation in the growth of population will therefore be a most powerful factor in retarding the rate of increase in demand for money in the area in which it takes place. Other factors, such as increases of real income, changes in the distribution of wealth favourable to classes who do not keep banking accounts, anything which tends to break up the financial solidarity of the family, may still continue to bring about an increase in the demand for money. But that growth in demand which for the last century and more has been due to the increase of population, must no longer be expected.

Now if the currency of this country had continued to be based upon inconvertible paper—if, for instance, Mr. Keynes's proposals for a managed paper currency had been adopted, this prospect would have been of great practical significance. Other things being equal, if the price level was to be kept stable, a falling off in the rate of increase of demand for money would have had to be met by a commensurate diminution in the rate of increase of supply. If this were not done, then an upward tendency in the price level would manifest itself. In fact, however, our currency is no longer national in this sense. Under the gold standard, the demand for money is a world demand, and having regard to the dimensions of the area from which it arises, and the probable extensions of that area, I do not think that any spectacular change in world prices is to be expected as a result of the diminution in the rate of increase of our own " requirements." Gold prices will be slightly higher, our share of the world's gold will be slightly less, than would have been the case if our rate of increase had remained positive.

Nevertheless I do not conceive it to have been otiose to have discussed the matter in this connection. For, if the result of our inquiry in this respect is to some extent negative, it does at least emphasise the essential variability in the modern world of one of the main factors determining the course of general prices ; and unless this is recognised, successful prediction is impossible.

Professor Cassel [1] has calculated that during the period 1850-1910 an increase of 2.8 per cent. per annum in the world's gold supply would have served to keep prices stable, and he has suggested that a figure of this order may be used side by side with estimates of the probable yield of the mines to serve as a basis for predictions as to the future trend of prices. Now I should be very sorry to be thought to underestimate the value of Professor Cassel's suggestion. I do indeed regard it as one of the most remarkable experiments in applied dynamics that have been made in the history of our science. But at the same time, I do think it important to emphasise that whatever the actual validity of the application of a constant multiplier during the century that has passed, *so long as the rate of increase of population varies, so long must such an application only be valid by accident.* This is not to say that the important prospects of development opened up by Professor Cassel's researches are illusory. On the contrary, the variations of the rate of growth of the money-using population being fairly accurately predictable for short periods, it should not be impossible to introduce corresponding modifications into the calculations. All that I contend is that, if the considerations brought to light by the foregoing argument are correct, such corrections are absolutely necessary.

[1] Cassel, *Theory of Social Economy*, vol. ii, pp. 441-473.

Book Reviews

The Shadow of the World's Future; or, the Earth's Population Possibilities and the Consequences of the Present Rate of Increase of the Earth's Inhabitants. By Sir GEORGE HANDLEY KNIBBS. Benn. 1928. pp. 131. 10s. 6d.

This book is in the straight line of descent from Malthus; it is a younger and brighter brother of Crookes' *Wheat Problem*, East's *Mankind at the Crossroads*, and many another economic thriller. Sir George Knibbs is a distinguished Australian statistician. Under his direction the Commonwealth census was far more informing than most other censuses, and his *Mathematical Theory of Population*, published as an Appendix to the census of 1911, contained much subtle and suggestive work. Writing now from Melbourne, in the reflective leisure of retirement, he is disturbed at the drift of contemporary events. In the closing chapters of this book he is disturbed at the spirit of aggressive nationalism and economic greed all the world over. " The widespread recognition of the developing solidarity of our race is an omen of promise. But, at present, it is specially characteristic of public men of exceptional eminence only. It is not yet a pervasive faith with the masses of mankind. The readiness with which antagonistic feeling arises between nations, and the intensities of national dislikes, occasion forebodings. . . . Economic equity, the abandonment of unscrupulous competitions, and the promotion of a world-concentration on the great issue, is the way of peace." Sir George Knibbs, at any rate, is both willing and able to pull his weight in the boat of constructive pacifism.

But what of " the great issue " on which a " world-concentration " is needed? This is the central theme of the book. " The menace of the present rate of growth " of the world's population is already " most serious." " This rate is of the order of about one per cent. per annum," which, if maintained, will, " in the course even of the present century, involve mankind in very great difficulties, for which unquestionably we are quite unprepared." Sir George Knibbs then passes in review a large assortment of vital statistics. He points out that, with a rate of increase of just

under one per cent. per year, population doubles every eighty years and that this process leads to the " utterly impossible " total of 15,600 million human beings in A.D. 2169, as compared with 1,950 millions, the approximate world population of to-day. And difficulties connected with migration will antedate considerably the arrival of the impossible. He quotes East's estimate, in *Mankind at the Crossroads*, of 5,200 millions as the maximum population which could be maintained at anything like present standards of comfort, even making every allowance for scientific possibilities. He himself would give a higher figure, round about 8,000 or 9,000 millions. But, long before this is reached, even if the scientists play up very well indeed, exceedingly grave difficulties will have arisen.

Such estimates, no doubt, are sketchy and unsubstantial, and criticism on points of detail would be easy. But it is, I suppose, common ground among economists now that, if present standards are to be maintained—still more if they are to be raised—the rate of growth of world population must gradually diminish and finally vanish. Opinions will differ, however, as to the desirable degree of gradualness and the remoteness of finality. For my part, I should be willing to accept provisionally Sir George Knibbs' estimates. But he seems to miss the significance of the most recent vital statistics, and of such studies as Professor Bowley's on the probable future population of this country. There is good hope that stationary populations will arrive in time to save the situation. In many places they are almost upon us already and declining populations are almost in sight. " In the course even of the present century " world population may reach its maximum, and begin to recede. Professor Bowley's guarded estimates for this little island have counterparts, with time lags of varying lengths, for nearly all those areas of the world inhabited by the White Race. Those areas inhabited by the Coloured Races still show, perhaps, a different drift. But not so markedly different as some suppose, though a discussion of this point would lead me too far afield. Sir George Knibbs' statistics are chiefly pre-war. But the post-war period is practically a new era from the point of view of vital statistics. In the light of this new era, it seems to me that part, at least, of the Shadow which he sees, is lifting. I should welcome a new and larger edition of this book, taking full account of the widespread and heavy fall in annual births since 1920. But it is a vivid book, which makes dry bones live and dim ghosts walk!

HUGH DALTON.

Imperialism and Civilisation. By LEONARD WOOLF.

Mr. Leonard Woolf's earlier works on Economic Imperialism are known and valued by all interested in the subject, and his latest volume, *Imperialism and Civilisation*, increases the debt under which he has laid them. It is short, only 135 pages, but no better introduction could be desired. The difficulty of most students is to discover any guiding conceptions which may enable them to master the mass of detailed, and at first sight unrelated, problems. In grappling with recent developments in so vast a field they lose their sense of perspective and direction. Mr. Woolf, who has to an unusual degree a power of synthesis and of illuminating generalisation, supplies them with clues which they can follow. They may not agree with all his conclusions, but, if they master his analysis, they will be better qualified to reach conclusions of their own.

General terms are an easy target for intellectual nihilists, and there are those who dispose of economic imperialism, as others dispose of capitalism, by asserting either that it does not exist, or that it has always existed, and sometimes, indeed, by asserting both. Mr. Woolf has no difficulty in showing that, if economic imperialism means the imposition of the European economic system upon extra-European peoples, it has as definite a genealogy as any other historical phenomenon. In its modern form it is, as he rightly points out, the obverse of the Industrial Revolution in Europe, and it received a new impetus in the 'eighties of the nineteenth century because it was not till after the American civil war and Franco-German war that the great industry, outside England, got firmly on to its feet. Requiring foodstuffs for its urban populations, and raw materials for its industries, and possessing surplus capital to invest, Europe plunged into a career of economic expansion.

The forms which that expansion assumed, and the consequences which it produced, depended upon the conditions obtaining among the peoples who were caught into the system. After discussing the antecedents of the movement, Mr. Woolf devotes three chapters to an examination of special phases of it, the first dealing with Asia, the second with Africa, and the third with the issues presented from the juxtaposition of white and coloured races in the same area. He shows that, so far from the problems that arise being of their nature insoluble, several alternative policies can be, and in fact have been, pursued by the dominant people ; and that, provided the passion for rapid economic development is controlled by a reasonable regard for larger interests, the tragic tension which

exists in certain regions can be avoided. In nine cases out of ten, the determining factor in Africa, as it was in Europe till a century ago, is the treatment of the land, which in turn tends to fix the lines of the labour policy pursued. Given a reasonable treatment of the land question, what are called primitive peoples, in some cases at least, appear to be able to use European civilisation for their own improvement. Given the establishment of a planter aristocracy, the result appears to be a tendency towards the re-establishment of some veiled form of slavery.

In the concluding chapter Mr. Woolf discusses the part which may be played by the League of Nations in developing a policy to take the place of the exploitation of helpless peoples in the economic interests of European nations. He pleads for an honest application of the Mandate system, for the assistance of economically backward peoples with expert advice and finance, and for the formulation of a code of native rights. His book may be confidently recommended to all who desire a general survey of the problems of Economic Imperialism. R. H. TAWNEY.

The Sexual Life of Savages in North-Western Melanesia: an ethnographic Account of Courtship, Marriage, and Family Life among the Natives of the Trobriand Islands, British New Guinea. By BRONISLAW MALINOWSKI, with a preface by Havelock Ellis. Routledge. 1929. xxiv+505 pp. 42s.

The work before us constitutes one of the most important contributions to the study of savage sociology and psychology that has yet been written. Professor Malinowski has examined the social life of the Trobriand Islanders as it centres round the relations of the sexes, or rather he has shown how the peculiar social and economic organisation of these islands has been shaped by and, in turn, has shaped the temperament of its inhabitants, a task requiring not only a sound sociological method but also a sympathetic understanding of humanity—whether white or brown. The author possesses this quality in a high degreee, so that his book will be indispensable to all serious students of sociology. Though the subject matter of the book centres round sex, this is nowhere overstressed or brought into more prominence than it has in real life (the reviewer spent some weeks in the Trobriands a quarter of a century ago), and if it be argued that sex seems to play an unduly large part in the life of the Trobriander, the answer is that here is a people, not specially warlike, living on a particularly fertile island whose shores abound in fish, so that they are distinctly favoured in the struggle for existence and have more spare energy for the

enjoyment of life than many other savage folk. Moreover, they are artists with a great appreciation of beauty.

Two rules of their social organisation colour their whole life: they are *matrilineal* and *patrilocal*, i.e. children belong to the clan of the mother but a man brings his wife to live with him, so that his children are brought up in his village though he is not the authoritative or economic head of his own household. Further, although his possessions are his own and he is his own master (there is no hint of matriarchy), custom dictates that he leave all his belongings to his sister's son, and chieftainship passes in the same way. The Trobrianders are an affectionate people, and this double loyalty—to the clan and the mother's brother on the one hand and to the father on the other—creates a curious situation. While it does away with rivalry between father and son, the former being essentially an affectionate friend to the latter, the fact that the lad is provided for by his mother's brother—he will inherit his possessions, and if he is a chief will succeed to his office—makes for another kind of difficulty, and trouble arises when the father becomes too fond of his son and tries to benefit him at the expense of the true heir. Thus it is the male cross-cousins who are rivals, and, given the brother-sister attitude to be immediately described, there seems but one reasonable way of balancing the situation. Exogamy is the rule and the great taboo is upon the true sister; any hint of sexual intimacy between brother and sister is the gravest breach of morals, and since little children are not taught to repress sexual impulses and indulge freely in erotic play, the separation of brother and sister begins very early. From the days of childish play until death the negative aspect of the brother-sister relationship may be said to dominate family life; the Don Juan Trobriander who is his sister's "legal" guardian and must work for her when she marries (for thus he provides for his own heirs, his sister's sons) must have no cognisance of her sexual affairs and has no dealings in arranging her marriage, this duty falling to the father, who is not of her clan. These considerations indicate that a particular type of cross-cousin marriage, i.e. that of a man with his father's sister's daughter, is especially desired by chiefs for their sons. The chief is not specially interested in arranging a good alliance for his daughter, he knows that she is provided for economically—his own son must work for her and her household when she is married—but his son will live in his—the chief's—village and his son's wife should help his son look after him in his old age. The son, not being of the father's blood, can marry into the father's clan; what better alliance can be made than that

with his own nearest relative, his sister's daughter? Her brother, protector and supporter, is his own heir and potentially the rival of his own son; the former can make no objection, for it would be shameful for him to hear matters relating to his sister's sex discussed, but once the marriage is arranged the rivalry between the cousins is changed into an alliance.

Space is lacking here to show how magic, which as the author happily says constitutes "a particular aspect of reality," enters into every phase of Trobriand life; one brief reference must suffice. The Trobriander pays little attention to ordinary dreams, but two types of dreams have special significance, those concerned with ancestral spirits, and erotic dreams, both treated as realities. If a man has an erotic dream he believes that the partner of his shadowy pleasure has made love-magic over him to obtain her desire. Woe betide him who dreams of his sister, for with his almost neurotic dread of sister incest he then believes he has become involved in the greatest sin known to his moral code! It is noteworthy that among this matrilineal people there seems to be no fear of mother-son incest, nor does the subject figure in myths, which are permeated with the brother-sister theme.

This study of the sex life of the Trobriand Islanders brings out a point of the utmost importance to psychologists. The savage's behaviour may be extraordinary, ridiculous, or even revolting, when looked at from our own social background, but when viewed in relation to his social organisation and social heritage it can be seen that the motives for his peculiar behaviour are at least as reasonable as those upon which our own conduct is based.

C. G. SELIGMAN.

Lancashire Under the Hammer. By B. BOWKER. Hogarth Press. 1928. 3s. 6d.

Lancashire Under the Hammer is an attempt to explain the "collapse" of the cotton industry since 1921, and to prescribe a treatment which will bring about its recovery. It is vividly written and is the work of one who was "born with the sour smell of tape size" in his nostrils. It gives highly coloured expression to the findings of Professor Daniels and Mr. Jewkes on the present plight of the cotton industry of this country and is interesting especially for its fund of reminiscence. The publishers claim that its searching analysis will satisfy students, but the style of the book is not such as students, bent on understanding rather than judgment, are accustomed to. It is, in fact, as much an indictment as a diagnosis, and though its intention is worthy enough its tone is

rather too sensational to carry complete conviction. It contains too many statements of this sort—" I doubt if a single man in the Lancashire trade ever thought of the morrow " ; spinners are described as " consciously playing fast and loose with other people's money in a flagrantly dishonourable effort to keep their own poor necks out of the noose to the last possible moment ". . . and so on.

According to Mr. Bowker, the pre-war years from 1900 onwards was a " gold-rush " period for the Lancashire cotton-industry. In these exhilarating days a dozen years of ordinary care sufficed to bring affluence to any person in the trade : so imaginative and efficient had been the pioneers of the industry and so insatiable was the world's demand for cotton goods that even the rule-of-thumb man could not fail. " I can recall now lawyers' clerks, railway workers, fruiterers, grocers, farmers, quarrymen, pork-butchers and minor trade union officials who all went into cotton " at that time of easy money, and " all but the subnormal of mind " were successful. But this state of automatic affluence was too good to last. " The Lancashire of the cotton men became mentally and spiritually dead." Arrogant to customers and blind to the quiet expansion of rival cotton industries in other countries, the " great cloth machine " lost its healthy condition. The war staved off an evil day of reckoning, but that day had to come. It came with tragic suddenness in 1921. Successful foreign competition in Lancashire's markets, unsound finance, underselling, the inability to co-operate, the burden of manufacturing and external charges, obsolete marketing methods are briefly dealt with as factors in the collapse of the industry, but the final conclusion is that " it is in men, not things, that the deepest trouble lies."

In Mr. Bowker's view the way to health for Lancashire lies in a common policy enforced upon the suffering sections of the cotton industry by a Control Board with adequate powers. Such a Board would have to be fully representative of the various branches of the industry, including labour, and it would, by stopping underselling, secure price stability and an environment favourable to the formation of big units " on a scientifically planned basis." Some measure of vertical organisation would follow and " cotton production would be organised from the cotton fields to the ultimate buyer." Thus " within three years of such a Control Board acting in such ways Lancashire would have effected what must now be beyond most cotton men's dreams." . . .

It all seems so simple! Both diagnosis and treatment, as out-

lined in these disturbing pages, appear convincing in their very simplicity. Yet the habit of drawing up indictments, and prescriptions, for a whole industry has a very doubtful validity. The present distresses of the cotton industry cannot be depicted adequately against so narrow a historical background as that of the fourteen pre-war years. Mr. Bowker does not explain why small units have survived so long in the cotton industry. A deeper analysis might find a connection between present troubles and the prolonged reliance upon one main source of raw materials, and at any rate partial explanation of the present situation in the nature of the raw material itself. Being delivered by nature, as Marshall pointed out, in standardised primary forms, cotton is well suited for massive change into standardised finished products. No manufacture is more readily transplanted, for the technique in all save its finer branches is easily acquired and up-to-date machinery, of Lancashire's devising, is available without restriction. There are all sorts of questions unanswered, too, in Mr. Bowker's book. To what extent is Lancashire still using out-of-date machinery? Have the big units been more successful than the small in prosperity as well as depression? How far has the industry been able to supply its obvious need of an adequate intelligence system? Have the rival foreign industries shown Lancashire's inventiveness of machinery and processes?

Mr. Bowker's analysis doubtless contains some elements of the truth, but it is a pamphlet for the times and little more. Perhaps its most disturbing page is that on which he associates the present situation with the inherited disabilities of the workers. "If cotton men had imagination they would not at any time be willing by low wages or distressing hours further to dissipate one of Lancashire's greatest commercial assets: her workers' physical capacity. That capacity is badly run down. Let whoso doubts it stand a few evenings outside any mill or shed in a Lancashire cotton town, and take stock of the operatives as they leave their day's work. Then he will understand what industrial revolution, barbarity, the foul factories of the 'seventies and 'eighties, and four generations of squalid housing, of ill-prepared and hastily swallowed meals, and of the bearing and rearing of children by mill-working mothers, have meant to the physique of the Lancashire cotton operative." Mr. Bowker should add to this severe test a visit to Blackpool, in order to make it a fair one. If this part of the indictment can then be substantiated, perhaps the Lancashire employer deserves to be under the hammer. But is it true? And if true, is it peculiar to Lancashire? H. L. BEALES.

The Problem of Motor Transport : an Economic Analysis. By CHRISTOPHER T. BRUNNER. Ernest Benn. 1928. pp. 187. 12s. 6d.

This book is divided into two parts, the first of which relates the history and describes the present functions of the motor vehicle in Great Britain ; the second and much shorter part deals with road construction and maintenance, and the taxation of its users.

In an introductory chapter the author points out that permissive legislation dealing with speed, the adequate provision of roads, and the taxation of the road user did not in the earlier stages of development keep pace with technical developments. However, the change in public opinion from an attitude of hostility to one of general approval which took place at about the end of the first decade of the present century did much to rectify the position.

Though legal enactments, and capital and running costs have been important factors in determining the extended use of the motor vehicle, there are certain other influences the importance of which are then discussed. In Chapter II the potential demand for private motor cars is considered in the light of the total amount and distribution of the country's wealth, and it is further pointed out that the number of people owning cars varies inversely with the density of population.

Again, in Chapter II, he predicts that the future success of the commercial goods vehicle depends largely upon the degree to which hauliers become organised so as to ensure, among other advantages, that return load, without which longer hauls are made unprofitable. But co-operation is likely to be slow both on account of the present wide diffusion of ownership and the ease with which outsiders can enter the industry. After describing the special functions peculiar to the various types of commercial goods vehicles, the author concludes that saturation point is still far off.

It is in the three chapters (III–V) which describe the particular environment in which the various types of commercial vehicles, passenger and goods, are found to prosper most readily that the author may be said to be covering new ground.

So far as the provision of passenger traffic facilities for large cities is concerned, Mr. Brunner strongly supports the " pooling " system as advocated for London by the London and Home Counties Traffic Advisory Committee. This, he points out, does not involve either common ownership or management, but does

imply the common control of policy, the pooling of resources, and a rational adjustment of the supply of transport facilities to public requirements.

He states the case for the need of the regulation of supply admirably, and admits the desirability of a "supreme traffic authority in every area." But as to the further and far more important question of the exact nature of the public control exercised by these authorities, he goes no further than to say that it should have "duties in the direction of regulation, legislation, research, and arbitration, where the undertakings supplying the transport facilities are unable otherwise to arrive at an understanding." In these words the author dismisses a question of extreme public interest and importance.

Chapter VIII gives an account of the main influences which have determined road construction policy, and Chapter IX deals with the taxation of motor vehicles. On this highly controversial subject his finding is, briefly, that sums derived from the taxation of motor transport should be sufficient to cover the extra maintenance costs and loan charges caused by its advent.

The rectitude of this principle only becomes dubious when looked at from the point of view of the railway companies who were in the first instance obliged to purchase at great expense all land required by them for the provision of transport, and have since paid rates thereon. The author's treatment of this subject is by no means exhaustive.

In view of the vastness of the subjects dealt with, it is not surprising that his treatment of many aspects of the problem is somewhat superficial, and to those in touch with the problem of motor transport there is little either in the way of fact or argument that is entirely new. Nevertheless, the paucity of literature on the subject more than justifies Mr. Brunner's work, which should be regarded as standard so far as Great Britain is concerned.

GILBERT PONSONBY.

A History of Political Thought in the Sixteenth Century. By J. W. ALLEN. Methuen. 1928. pp. xxii+525. 21s.

No matter how many personal pronouns we suppress, the review of a book must always be the reviewer's personal estimate of it. This is my excuse for introducing matters relating to myself—for which I ask pardon—into this review of Professor Allen's book: without doing so I could not so clearly indicate my estimate. In almost twenty years of collecting, reading, and pondering preparatory to trying myself to write "A History of Political

Thought in the Sixteenth Century," no book has appeared in English or any other language which seemed to make my work superfluous. This is now no longer true. In its scope, its thoroughness and its penetration Professor Allen's book is so entirely satisfactory, that no other is now needed, as it was sadly needed before, to serve as a guide to one of the most difficult, most fascinating and most important periods in the whole history of political thought. It is the first book fully to meet this need and it meets it in a way not only adequate, but admirable.

There is some excuse, though absolutely no justification, for existing impatience at " scientific history." Too many devotees of it mistake the appearance of scientific method for the reality, and in no branch of history is this more noticeable than in the history of political thought. Professor Allen's work suffers from no such defect. His pages furnish the proof that they are the result of the old sound method of reading the sources carefully and in their entirety, not of merely scanning them to find a pretentious reference or to support a preconceived opinion. This book is the work of many years of careful reading and careful thought aimed at finding what the sixteenth century actually thought and why it did so. The evidence of it is in the book itself. Such a book, on a subject so vast and difficult, is almost worthless if made in any other way, and a good many books on this subject have been made in other ways.

Professor Allen has a clear conception of what he is trying to do and he never wanders from it. He is concerned alone to show what the sixteenth century thought about the State and how it came to do so. He never pronounces judgments. He does not lack the sympathy with the strong points in the thought of individuals or parties so necessary for an understanding of it, nor has he apparently any blind side for its faults, yet not in a single instance that I can recall does he show the slightest bias for or against men or sects or parties in his estimate of them. This is particularly noticeable in his chapter on " The Supremacy of Elizabeth," one of the most valuable in the volume, where these qualities so requisite, yet so rare, in the historian have enabled him to give an account of the Elizabethan settlement of religion worthy to stand beside Maitland's great chapter on the same subject in the *Cambridge Modern History*. It was no small feat for an Englishman to write such a chapter as this in the midst of the present turmoil in the Church of England. There is not the faintest hint to which party, if to any, Professor Allen belongs. He is always detached, but never unsympathetic. These are qualities important enough and

rare enough to make this a marked book, but they go along with an independence of thought and a keenness of analysis no less striking, with a thorough knowledge of the history of institutions and peoples as well as of ideas, and with a full appreciation of the fact that none of these can even be explained without the others. This is incomparably the best book ever written on sixteenth-century political thought as a whole.

The table of contents shows at once its scope and comprehensiveness. It is divided into four parts, part one, on " Lutheranism and Calvinism," containing chapters on Luther and Melanchthon, the Anabaptists, Calvin, " the Toleration Controversy," and the late followers of Calvin, such as Knox and Goodman, who repudiated his doctrine of non-resistance. Part II contains a sketch of the history of English thought, religious and constitutional, and the political reviews of the various religious groups, with a special chapter on Hooker. Part III is devoted to French thought, religious and constitutional, with a notable section on Bodin. Part IV includes Italy, with the chief attention given to Machiavelli.

In the chapter on Luther Professor Allen follows the same line taken in his paper published among the *Tudor Studies*, in brief, a strong denial of the view of Dr. Figgis expressed in the epigram, " Had there been no Luther there could never have been a Louis XIV." Such a statement Mr. Allen drily remarks " seems to have no relation to fact." The more one studies the history of French institutions and ideas on the one hand and the works of Luther on the other, the more the justice of Professor Allen's criticism appears. His interpretation of Luther's views is strikingly confirmed by Georges de Lagarde in his *Recherches sur l'Esprit de la Réforme*, 1926.

Probably the most interesting chapter in Part I is the account of the controversy of Castellion with Calvin and Beza, in which the author properly depends largely on the life of Castellion by Ferdinand Buisson, to whom he gives full credit. If bias might be expected and pardoned anywhere, it would be a bias in favour of Castellion and his principle of toleration; but our author, though very sympathetic, never swerves from his strict impartiality as Buisson sometimes does. The same impartiality marks the treatment of the thorny question of Elizabeth's relations with the English Catholics and of the intricate problems raised by the French wars of religion. I doubt the accuracy of Professor Usher's high estimate of the number of Catholics in England which Mr. Allen seems to accept. The much smaller figure insisted on by Professor A. O. Meyer seems to me to be nearer the fact.

In the author's analysis of the theory of the divine right of kings he indicates two main features distinguishing it from other existing monarchical theories, the assertion first that kingship is the sole form of government ordained by God; second, that the obligation of subjects to their king is a religious obligation, which is in no sense the result of human arrangements. Both points are there undoubtedly, but the distinction between the divine right of the king's office recognised by almost every party since mediæval times and the newer view of the divine right inhering in his person and derived from his ancestor rather than his predecessor seems to me to be more fundamental and to explain more. It would, for example, account better for the opposition of James I to a *de facto* king and for his view and that of Pierre Grégoire that the king has proprietary as well as governmental rights over everything in his kingdom.

One hundred and seventy-three pages of the book are given to French political thought and no part of it should be more enthusiastically welcomed by English readers. As Mr. Allen says, France in the later sixteenth century was "a great factory of political ideas." As such there is scarcely anything comparable with it in importance since antiquity. The author begins with the theories of the French Monarchy, of Seyssel, Ferrault, Degrassalius, Pasquier, L'Hôpital, du Moulin and other writers, both jurists and historians. Du Tillet appears only in the bibliography, though he made some important statements that can be matched nowhere else, and the notice of Pasquier seems to me too summary for his real importance. One could wish that this whole chapter were longer, but it is admirable and it fills a long-felt need. The fullest and the best parts of the French section are the brilliant chapters on the wars of religion, probably the most difficult to write, certainly the most needed of all in the volume by English readers. Even a summary of them is impossible here. Professor Allen characterises the *Vindiciae contra Tyrannos* as "pretentious" and takes a more disparaging view of it than any other competent judge I know, a view with which I find myself unable to concur, though it is refreshing to note his independence in refusing to join the chorus which ascribes it with certainty to Mornay. William Barclay did not know who wrote it, but mentioned a current belief that it was Hotman. Mornay's authorship rests on a statement in the memoirs of Madame Mornay which is not absolutely conclusive. I have been struck, as Mr. Allen has, by the difference between the *Vindiciae* and some of Mornay's undoubted writings. Professor Allen also says that Beza's author-

ship of the *De Jure Magistratuum* is " an almost unavoidable conclusion." There is a passage in the Geneva records of the year 1573 which should eliminate the " almost." Beza is there forbidden to publish a book he had written with the precise title *De Jure Magistratuum.*

There are a few other minor things that I should venture to doubt or prefer to see put a little differently. I cannot, for example, appreciate the vagueness of the contracts in the *Vindiciae* as Mr. Allen does. There is only one small statement of fact that I know positively to be wrong. William Reynolds, to whom some attribute one of the most important books of the *League, De Justa Reipublicae in Reges Impios Authoritate,* Mr. Allen calls " a Scot." He was born in Devonshire, as Fuller tells us, and a brother of the celebrated John Reynolds, leader of the Puritan party at the Hampton Court conference. Mr. Allen says there are " grave objections " to the view that he was author of *De Justa Authoritate.* In this he follows Labitte, but I find still graver objections to any other view. John Pits in his *Relationes Historicae* attributes the book without comment to Reynolds, and Robert Parsons in his *Treatise Tending to Mitigation* says unhesitatingly that Reynolds was its author. These three co-religionists, Reynolds, Pits and Parsons, all banished from England on account of their faith, must have known each other. Pits and Reynolds seem to have been together at Douai about 1581, and Parsons was probably not far away. I feel certain that Pits and Parsons had better grounds for their statements than later writers whose view is different.

But these are small matters, all of them, and in the main matters of opinion.

I shall have to omit any account of Mr. Allen's judicial estimate of Machiavelli—I am glad he calls him immoral, not unmoral—and close with a brief reference to the important chapter on the theories of Jean Bodin. Mr. Allen's general views on that subject were known already from his lecture published in 1926. I am tempted to say that these two discussions by Professor Allen are the only extended ones in English which show any real comprehension of the subject. Mr. Allen has gone directly to Bodin for his views and he has read him *in extenso.* I find it difficult to believe that most others have. Otherwise they could not go on repeating the ancient and still prevalent delusion that Hobbes's ideas about sovereignty are a matured and improved form of Bodin's. Mr. Allen is right. Between the two is " a great gulf fixed." The two men were not speaking the same language. Nor is Bodin " inconsistent," or less consistent than Hobbes, when he makes his

" sovereign " subject to the laws of God, the laws of nature, and the " fundamental laws " of his State. These limitations of the sovereign have been considered inconsistencies or " flaws " in his theory ; but they are entirely consistent with, they are actually inherent in that theory, and the theory itself is no less logical and I believe much more fruitful, though far less clearly presented, than the one of Thomas Hobbes. I find it hard to be as temperate as Professor Allen in discussing it.

But enough. I have failed if I have not induced the reader of this review to read the book itself. If he should do that he would find far more than any review can even faintly suggest.

C. H. McIlwain.

Authority in Church and State. By Philip S. Belasco. Allen and Unwin. 1928. 326 pp. 12s. 6d.

It is seldom that the first work of a young author, dealing with an already widely studied subject, contrives to give so fresh an interpretation of familiar events and to shed so much new light on an old but ever-new problem—in this case, that of religious toleration in the seventeenth century and freedom of conscience in general. Briefly expressed, Dr. Belasco's thesis is that the Quakers were the first Christian body really to grasp the essential meaning and value of religious liberty, and that what had gone on hitherto—and went on for many years after—under that name was but a travesty of true freedom ; further, that they reached their position not accidentally but logically, it being inherent in and evolved from the Quaker theology of the " Inner Light that shineth in every man," this doctrine leading inevitably to a revolutionary view of the rights of the individual against Church and State, involving the negation of the sovereignty of the Nation State.

Quakerism was born in a society which, though Protestant, had scarcely yet begun to understand what freedom of the individual conscience really meant. In fact, " the Reformers, in their attack upon Rome, were anxious to shift the ground of their protest away from the inexplicable voices of the individual." Toleration was merely negative, and only implied the admission by the State of its incapacity to crush certain beliefs and observances which, all things considered, were not perhaps as utterly subversive of Society as was at first imagined. " The implication was, and this is, as ever, the chief interest, that Christians had a right to express freedom in religious matters at the expense of organised Christianity. *They had no such right* . . . The individual is no more

tolerated in his religious than in his non-religious conduct, and society through the State sees to that." The growth of toleration only meant a certain widening of the sphere of private opinion, partly because persecution had become too difficult, largely because organised Protestant Dissent, in its Presbyterian and Independent forms, had proved its " loyalty " to the existing order by its willingness to join it in the persecution of those who were still supposed to challenge it.

Foremost among those challengers were the Quakers, and not the least valuable part of Dr. Belasco's book is his exposition of the fundamental conflict between prevailing conceptions of Church and Society, as held by Anglicans and Dissenters alike in spite of superficial differences, and those derived from the doctrine of the Inner Light. Once you admit that God is in *every* man, whether or no he be conscious of the fact and whatever name he give to that divine spirit—then an infallible Book, and a visible Church with clergy and sacraments, become unnecessary and are in fact a danger, as all rigid institutions must be, to the free realisation and expression of this Light. Revelation being a constant dynamic, not something static and past, the coercion of a human conscience becomes a sin against God, for it may be the repression of a new truth which the world greatly needs. Not direct persecution alone, however, but anything that acts as a hindrance to the development of an individual soul is to be condemned, as for instance a social system in which the rich can oppress the poor; for while destitution might not prevent individual salvation in the Puritan sense, it really deprived man of the chance of giving full scope to the Divine Spirit within him. It followed also that the rigid division of mankind into churches and nations had no divine sanction, for, as Barclay said, " there may be members of the Catholic Church among Heathens, Turks, Jews and all the several sort of Christians." Hence the folly both of persecution and of war.

Pacifist, internationalist, social reformer, religious individualist, the Quaker inevitably came into conflict at every point with a Society of whose virtues and values his creed was an express denial. His claim for freedom could not be based, therefore, on the " inoffensiveness " of his opinions ; he could not plead that his departure from accepted standards was really of little consequence. He must demand freedom not as a social convenience, or as a " safe " policy, but as a right that Society could only deny him at the peril of its own soul. Coerce a man into outward conformity with doctrines he rejects in his heart, and you

turn him into a coward and a hypocrite, whose allegiance is worthless, for, to quote William Penn, " Never think him true to Cæsar that is false to his conscience."

The usual distinction between essentials and non-essentials was, of course, futile : who was to judge ? Besides, conformity in non-essentials involves no conscientious objection and can be freely yielded ; what matters precisely is freedom in essentials. Persecuted on all sides, by Presbyterians under Cromwell, by Anglicans under Charles II, by Dissenters under the children of the Pilgrim Fathers, the Quakers ultimately won because " their defence of liberty of conscience was fought on proper grounds . . . It meant nothing unless it took into account the few who pressed forward, preparing a new synthesis," and realised " that both Church and State find strength in the creative ideas of their members."

Anyone who is tempted to think Dr. Belasco too severe in his judgment of the ordinary seventeenth century mind, would do well first to inquire, in all sincerity, whether the prevailing attitude to-day towards the " radical dissenter "—conscientious objector, communist, general striker, Indian nationalist agitator—be not strangely similar ; and whether we do not tolerate those only who do not protest over-much, being not unwilling, whenever practicable, to repress by open or veiled coercion the modern counterparts of " Papist, Jew or Infidel " ?

A Quaker would, of course, like to think that Friends have always maintained that grasp of freedom as a fundamental principle which Dr. Belasco has described with such insight. While it is true to say that the vision has never completely faded, it has often become very dim : there have been Friends at all times who did not shake off the thraldom of the written word, and went on pursuing the will-o'-the-wisp of dogmatic unity, with its inevitable heresy—hunting and schism—not to mention the disowning for " marrying-out " which cost the Society thousands of its best members in the eighteenth and early nineteenth centuries. And there are even now, on both sides of the Atlantic, meetings where the early Quaker testimony concerning war and the social order is endured rather than endorsed.

The fact is that Dr. Belasco tends to credit Quakerism with a more complete and coherent political philosophy than it has ever evolved. The early Quakers saw clearly enough the impossibility of imposing certain standards of outward conformity in the name of religion, on the assumption that, " Cæsar having become a Christian, God could call no man to question obedience to Cæsar."

Such an assumption, as William Penn finely said, was equivalent to " conscience as by law established." This led inevitably to a criticism of unquestioning obedience and absolute sovereignty. But it is a long way from criticism, however acute, and even occasional flashes of a new conception of freedom, to a logical system clearly defining the limits of authority and obedience, whether in State or in Church. Penn himself excludes from toleration what " tends to the ruin of the Government and to the prejudice of the people "—which leaves coercion plenty of elbow-room! It is true that " he saw in freedom the best guarantee that individuals will not plot that ruin "—in other words, that intolerance destroys and does not create loyalty, so that freedom is ultimately the best security for governments. But this does not altogether solve the problem, though Penn might have agreed with T. H. Green that " the only acts which law ought to enjoin or forbid are those of which the doing or not-doing, from whatever motive, is necessary to the moral end of society." It may not be irrelevant to remark that while Quakers have always been to the fore in supporting every movement that made for the liberation of the individual, their sympathies tend to be, at the present time, with those systems that would extend the sphere of social control in economics.

The exigencies of space have forced us to concentrate on the main argument of this fascinating book, to which we must refer the reader for Dr. Belasco's spirited defence of William Penn and for his singularly illuminating exposition of what the Quakers mean by Pacifism. The reader's task will not be altogether easy, for Dr. Belasco seems to have a rooted objection to simplicity and lucidity of expression ; his style is laboured, incorrect at times, nearly always difficult. Hoping as we do that this is only the first of many books from his pen, we earnestly entreat him to cultivate that clearness of speech which should accompany clearness of thought. It is as well worth an effort on his part as the studying of this book is worth an effort on the part of the reader.

R. H. SOLTAU.

Concepts of State, Sovereignty and International Law. By J. MATTERN. Johns Hopkins Press and Oxford University Press. 1928. xi and 200 pp.

Dr. Mattern's book is a contribution of value to the theory of sovereignty. It is based on lectures delivered at Johns Hopkins University on political theory, and the earlier part of the book, while containing a lucid exposition of the classical theorists, has in

it nothing very new. It is, moreover, disfigured by rather irritating references to secondary authorities. Mr. Dunning and the *Encyclopædia Britannica* are, after all, not the Urim and Thummim of academic wisdom. And if Hobbes, despite his loud protestation that, starting with foundations laid in physics and pyschology, he had demonstrated everything with mathematical certainty, yet actually writes what are, in one respect, *livres de circonstance*, we decline to believe that the modern writers of the juristic school of political theory write in complete scientific detachment—the act of faith which Dr. Mattern demands of us—and judge the passions of politics from a secure seat.

To be fair to Dr. Mattern, this is not exactly what he claims. A formal jurisprudence is indifferent to what is—a weltering lava-flow of affairs from which no theory can be built up inductively ; it is concerned with what, from the very concept of the state, logically ought to be, with " the State as idea," with norms. To this position there are three objections.

To talk of " scientific jurisprudence," (a phrase which Dr. Mattern seems to accept without demur on p. 79) in any but a popular sense, may well be misleading. Jurisprudence, especially of this style, is about as scientific as scholastic theology, no more—that is to say, it is accurate and logical. If one grants its premise, the conclusions infallibly follow. But when Dr. Mattern puts up such a formal jurisprudence as alone sound, over against political theories of sovereignty founded on a political science which he treats as a merely pragmatic study, then it is time to protest that the antithesis is false, and involves an entire misconception of what is to be hoped from the development of a scientific method in sociology. The assumption of such a method is that there are certain uniformities in human affairs, just as in what (perhaps falsely) is distinguished as the natural world, and that these fundamental and objective uniformities lend themselves to scientific study by inductive methods. These methods are *toto coelo* distinct from the " scientific methods," that is the *a priori* logic, of jurisprudence.

Far, then, from jurisprudence revealing scientific norms and political science only vouchsafing practical wisdom on facts, formal jurisprudence gives a theoretical construction which happens to be convenient to the lawyers, whereas the endeavour of political science is to discover permanencies resting on human nature itself and the resultant structure of society. It may, then, be true that the lawyers of the revised Austinian school have found a self-consistent theory, and if, as is asserted, this is complete, apart from the facts, no one objects to their making such use of it

as they choose. But it cannot be admitted that, if theory we want, whether of State or of sovereignty, here is the only possible and intellectually sound theory. On the contrary, the convenient systems of the lawyers must give way, if we want to discover a theory of social processes, to the results of the study of the fundamental facts of society and of psychology upon which law and all legal theory is a superstructure.

Again, even adopting this scholastic method, the premise of Willoughby and Mattern is not logically unexceptionable. The premise is that " a politically organised group of individuals may be conceived of as constituting an essential unity, and that the entity thus created may be regarded as a person in the legal sense of the word." This group is " a body politic," i.e. " the State." Sovereignty " as a quality of statehood . . . is, by its very nature, a unity." This theory of sovereignty has elsewhere been set forth with ability by K. C. Hsiao. It comes down to little more than this, that " wherever there is community, there is community," i.e. one opinion, i.e. one final voice. Accept, then, that a group is a community and the rest follows. The lawyers are, of course, entitled to define " person " as they think fit for their own purposes, but the question of fact remains whether " a political organised group " is necessarily an " essential unity " or " community " for all purposes, and, if not, when is it *not* such a unity. It can, of course, " be conceived of " as a unity. But when, if we are not to falsify the facts, must it be conceived of as a struggle of ideals and wills in which the dominant will is liable, and may be expected, to change ?

Further, when troubled by the objection that a theory of State and of Sovereignty, which, however self-consistent, is on principle independent of history, may be either merely a convenient legal contrivance or else is but a dialectical amusement, Dr. Mattern retaliates by declaring that he fails " to see why a theory which unquestionably, in the preponderant opinion of modern authorities, applies to the existing State organisations, should be rejected because it is inapplicable first to historic conditions no longer existent, and, second, to a state of affairs desired of some or many, but not yet a reality." This is empiricism indeed, with its appeal to " preponderant opinion " and " the existing state organisations." But it is not convincing, and talk about " mechanistic " and " vitalistic " confuses the issue. If we are to appeal to history, to history let us go. Precisely the question is whether the " existing state organisations," i.e. the modern, Sovereign National State, which once did not exist, is not a transitional organisation already in

process of passing away, whether the juristic theory of sovereignty is not "scientific" but the voice of the 1648-1914 Time-spirit, and whether this theory, in so far as it claims to be the only sound political (not legal) theory, is not an artificial obstruction to a natural development. The National Sovereign State is not the only form of "body politic." Happy theory of politics which "does not concern itself with a justification of the State beyond that given in the terms of the definition." Or may there be "two truths," one theory of the State true in Law and another theory true in Political Science? It is no good for Dr. Mattern to tell us that the theory of the small state "met with final disqualification as a result of the American Civil War." Wars do not disqualify theories. Wars, however, destroy the systems of which theories are justificatory, and that, it may be suggested, is what the Great War began to do to the system assumed by the Teutonic School, especially that of Jellinek. Let us hope that it will not require another war to complete the process of breaking down this system.

A theory, however, which in Dr. Mattern's hands is so accommodating as to find itself "four-square" with the German Constitution of Preuss and the Economic Councils—which swallows Kelsen and the sovereignty of a world State (the true issue, perhaps, of the logical theory of sovereignty)—has many possibilities. We are left doubting whether Dr. Mattern's ambition is to set forth *in partibus infidelium* "the juristic theory of the State as propounded by Willoughby and applicable to the modern State" or whether, with a bow to the speculations of Burgess, he proposes to "suspend judgment on the tenability and extent of the applicability of the juristic conception of the State" and to point forward to the ultimate location of sovereignty, in accordance with the seminal theory of the Austrian School, in an international body wherein national states shall not be anarchic judges in their own case but parties under the authority of law. Certainly Dr. Mattern has written a book which every student of the theory of sovereignty must read: this and Professor Hsiao's are the two most useful expositions known to the reviewer.

GEORGE E. G. CATLIN.

The Works Council: a German Experiment in Industrial Democracy. By C. W. GUILLEBAUD. Cambridge University Press. 1928. viii+305 pp. 16s. net.

Considering the amount of propagandist energy that has been spent during the past fifteen or twenty years on the subject of

" Workers' Control of Industry," there is certainly need for every scrap of evidence that can be collected in regard to its practical possibility. M. Guillebaud's study of the German Works Councils makes close reading, but its very solidity makes it stimulating in a field usually so given over to theorising. The experiment began by the incorporation of the principle of democratisation of industry in the Weimar Constitution of the German Republic in 1919, under the influence of Russian Sovietism. The right was recognised of wage-earning and salaried employees to co-operate with their employers " in the regulation of wages and of working conditions, as well as in the whole economic development of production." This foreshadowed a system of workers' councils, first for each establishment, and next in regional and federal groupings. However, by the time this principle could be given practical effect, the first flush of the Revolution had passed, and the Works Councils Act of 1920 represented a compromise with various critical elements, i.e. the employers on the one hand and the trade unions on the other.

Works Councils were constituted in every establishment employing twenty or upward employees. They were given the powers of supervising the execution of (but not making) agreements between employer and employed, negotiating works rules, putting forward grievances, participating in welfare schemes, protecting employees from unfair dismissal, nominating a representative on the " control board " of the business, receiving information from the employer concerning the condition and progress of the enterprise, and requiring of him a profit and loss account and balance-sheet for the preceding year. It was their duty to co-operate with the employer in promoting productive efficiency, and to do their best to preserve industrial peace. These functions, which are of particular interest to us to-day, in view of the recent tendency towards a rapprochement between labour and capital in Great Britain, go far beyond the functions, for instance, of our Whitley councils—the nearest approach to the German experiment we have made.

Control over the operations of the Works Councils was exercised by statutory Conciliation Boards and later by Labour Courts, arbitrating bodies jointly composed of employers and employees with an official chairman. Care was taken to ensure that the Works Councils should not encroach on the functions of trade unions, by reserving to the latter alone the making of " collective agreements " with the employers enforceable by law. Perhaps the most curious feature of the whole Works Councils experiment is

this rivalry between the councils and the unions. In the early stages the councils were made the instrument of an attempt by the " left wing " of the German Labour Movement to wrest control from the official moderate trade union leaders. The attempt failed, and the councils from 1920 onward fell more and more under the control of the unions. This gave the councils discipline and steadiness in policy, but also made their vigour dependent on the fluctuating strength of the trade unions. After 1924, when the great slump began, the Works Councils declined in numbers and effectiveness.

" In general," M. Guillebaud concludes, " the history of the last six years has shown that there is no place in labour organisation for a system of Works Councils acting independently of and as an alternative to Trade Unions." The Works Councils have influenced German trade unionism in the direction of replacing craft unionism by industrial unionism, and have given valuable administrative training and experience to many of its leaders. In their relations with the employers, the Councils passed through many phases. In the early days of the experiment, when many councils were controlled by extremists, industrial relations were worsened and disputes increased. Later, as the councils became familiar with their duties, relations improved. Many employers resisted their councils, others employed blandishments or corrupted the leaders. Some worked harmoniously with their councils and supported them even in times of depression. For the whole environment of the Works Councils experiment has been singularly unfortunate, because of the rapidly changing conditions of German economic life. First currency inflation, and later unemployment caused by currency stabilisation, dislocated their development. This has to be remembered, before adjudging the experiment a failure.

At a rough estimate there were in 1922 under a quarter of a million works councillors and works stewards in Germany. What did they accomplish? They exercised a salutary check on employers in the prevention of unfair dismissals and victimisation, except when bad trade caused wholesale dismissals. They contributed little towards improving the efficiency of industry; and they signally failed to take any advantage of the powers of inquiry given them into the conduct of individual businesses. Perhaps their greatest achievement was the stimulus given to working-class education, and the gaining of first-hand experience of the difficulties of conducting industry. The German Works Councils experiment, though perhaps premature, will have justified itself

if only as a training-ground for the social democracy of the future.

R. S. LAMBERT.

Foreign Diplomacy in China, 1894-1900. By PHILIP JOSEPH, LL.B., Ph.D. Allen and Unwin. 1928. pp. 458. 16s. net.

Sir Frederick Whyte in his introduction hits off at once the great strength and the only serious weakness of Dr. Joseph's work when he refers to it as a veritable mosaic of references and quotations. Moreover, the date of publication is fortunate in that the author has been able to use relevant sections of the recently issued British documents, in addition to *Die Grosse Politik* and two valuable unpublished Russian sources, which were not available to previous narrators of this story of naked Imperialist greed. Thus the historian can rejoice in the fulfilment of his desiderata, materials complete, or as complete as they are likely to be for twenty years, rigid documentation, and, be it added, clear arrangement and marked objectivity. It is perhaps ungrateful after that to complain that the documentation, the habit of incessant quotation from dispatch and speech, and the fear that any original summary and generalisation may leave a loophole for the exhibition of personal bias, have produced a work which still smells of the doctorate thesis and will make rather heavy going for the unprofessional reader. Yet it is a pity ; for one can hardly open a paper to-day at the Far Eastern news without coming upon some question whose origin lies in the period here considered, and no other survey of that period gives so clear, correct and up-to-date an analysis of those origins.

The detailed narrative of the critical years 1894-1900 is preceded by an admirable historical and analytical summary of the treaty rights of foreign Powers in China in 1894. It would be impossible within reasonable limits to recount the new facts and new lights brought out in the succeeding narrative, but a few may be noted. The reasons for the curious reversal of rôles of England and Germany as to intervention between China and Japan in 1894-5 are at last made clear, as they were not in previous British accounts, while the recent German version in Dr. Otto Franke's *Die Grossmächte in Ostasien* is proved to be highly misleading, and its author either rankly careless or dishonest in his handling of sources. The designs of the Franco-Russian combination to seize on the body of China by railway and financial enterprises after 1895 are clearly and minutely revealed, the reasons for believing in addition that they were but a preparation for territorial acqui-

sitions are indicated, and the documentary proof of the existence of such further designs in 1896 is strong, if hardly attaining completeness. This is important as refuting the common charge that Germany, by her acquisition of Kiaochau next year, began and was therefore chiefly responsible for the serious territorial, as opposed to the purely economic, threat on China's integrity and independence which marked the succeeding years.

Most interesting to Englishmen is the vindication of British policy in those years in face of recent American and Chinese attacks. It is now abundantly clear that the occupation of Weihai-wei was a *pis-aller* adopted with genuine reluctance as a necessary balance to a German Kiaochau and a Russian Port Arthur, after every effort had been made to preserve Chinese integrity. Further it is clear that the definition of the Yangtse valley as in some sense a British sphere was only done step by step, reluctantly, and as an inevitable sequel to the policy of other European Powers, which would have otherwise divided the rest of China into spheres wherein our commerce and industry were handicapped to exclusion-point, while they claimed equal terms with us in the competition for trade and concessions in the Yangtse valley. It was fortunate that the Spanish-American war turned when it did American eyes and interests to Asia, and so furnished us with a co-champion for our standing policy. For though it bore the name of the American Secretary Hay, the policy which Dr. Joseph calls " The Modified Open Door " was essentially what was left of that for which we had all along been striving, giving equal opportunities for *trade* throughout China, while perforce permitting national preferences in concession-hunting within the respective spheres of interest.

Not the least interesting of the aspects of this book is the light thrown on European relations. It has never before been so clear how far Germany went in her efforts to divert Russia to Asiatic ventures, thus allaying Austro-Russian friction in the Balkans, nor how intimately the Chinese Question was concerned in bringing about the famous Chamberlain offers of alliance to Germany and America, which followed vain attempts at understanding with Russia and Japan. Nothing but our helplessness before the Franco-Russian attack on our position in China could overcome Conservative contentment with Splendid Isolation.

Finally, one must note the skill with which Dr. Joseph has combined diplomatic with economic history, so bringing his work into comparison with rare studies like Dr. Earle's on the Bagdad Railway, and into contrast with those too frequent works wherein

the machinery of diplomacy is treated in an unreal and misleading isolation. It is to be hoped that without delay Dr. Joseph will be able to bring down his narrative to the present day in the two further volumes he promises, and that they will be as painstaking and authoritative as the first. L. G. ROBINSON.

The Trade of the Indian Ocean. By V. ANSTEY. Longmans. 1929. pp. xvi+251. 8s. 6d.

This is a type of book which should be warmly welcomed and encouraged by all geographers, and Dr. Stamp must be congratulated on his courage and foresight in finding a place for it in his University Geographical Series, for it is a gallant attempt to do a right thing in the right way.

This is not to say that the book is perfect, or even as useful as it might have been; and some of one's grievances could have been avoided, not only with ease, but with much profit. But it sets a definite geographical stage, and puts on it a pertinent commercial drama; statistics are given a really geographical basis, and so have a really rational interpretation—though Heaven forbid that the process should be disfigured by such a hideous title as Geo-economics! There have been, of course, some "Business Geographies," but they have been mainly arid compilations, at which no sane business man would ever look. But he could not read this book without interest and without realising the importance of a geographical basis in any intelligent study of industry and commerce. For this reason alone the book demands critical attention.

One's first grievance lies in the title. Professor Sargent, in his Introduction, practically says that the book has a natural unity because of the natural unity of the ocean. If so, it is a serious defect that it should ignore not only the other natural unity—the remarkable structural unity of the plateau hinterland, but also large areas of that hinterland and sôme important aspects of the ocean trade. Something is certainly said of British East Africa and of the East Indies, but the former has less relation to the Indian focus than either South Africa or Australia (with 400,000 tons of shipping carrying wheat alone to India in 1928), and the East Indies belong to the Pacific Ocean rather than to the Indian. The essential subject of the book is the sea trade of British Asia, and there is no obvious reason why title and subject should disagree; Professor Sargent's admirable *Seaways of the Empire*, to which the book owes much, contains a chapter which by both text and diagrams actually suggests the right title.

One's second grievance is concerned with dates. A book received in January and yet bearing the date of the current year suggests an urgent desire to seem up to date. In this case it would have been wiser to date it 1928, for then the frequent use of 1923-24 figures would have seemed a little less out of date. Not only are the statistics usually somewhat "ancient," but they are also quite lacking in uniformity, which destroys their relative value. Even in the tables at the end of the book the general statistics of the main commercial areas (Table I) are only for 1923-24; that is to say, they take us no further than the "Economic Development of the Overseas Empire"—another tribute to the dreadful loss we suffered in the death of Lilian Knowles. An unnecessary chapter on "Over-production" might have given place to one correlating and bringing up to date the vital figures, especially those concerned with the Indian trade of Britain, U.S.A., and Japan. For instance, the book leaves one (p. 74) with too "optimistic" an idea of the decline of our share of the import trade, which has actually fallen from over 64 per cent. in 1913 to under 48 in 1928. And the full details e.g. about Iraq railways in 1920 (p. 31) and Malay rubber for 1921 (p. 159) leave one quite unimpressed—except by the suggestion that "there is no reason to suppose that these proportions (rubber) have altered appreciably since this year."

Amongst smaller points four are of some importance. To apply the term "Mediterranean" (p. 24) to the Caspian lowlands of Persia, with their tiger-haunted jungles and their rain-fed rice and sugar fields, is a blunder. The diagrams, which are very good in content, are unnecessarily "illegible" in construction, e.g. on p. 80 and p. 108, simply from bad arrangement—the want of a line separating one set of figures from the next, or even a different spacing; on p. 108 at first sight no one would think that "Singapore" did *not* belong to the figures just above it, but to those below it, and more widely separated from it. The words "pre-War" are used sometimes of the 1909-14 average and sometimes of 1913, which is rather confusing. The index is very feeble.

All these particular blemishes are relatively unimportant, or can easily be rectified; and they do not affect seriously the general excellence of the book. It contains an immense amount of valuable material, most of it very well handled and some of it put into the crispest of useful summaries, from which one might quote a dozen admirable and most legitimate "tips"—about the hinterlands of Bombay (p. 82) and Madras (p. 84), about India

as both an exporter and an importer of cotton (p. 86), about rubber not rotating with rice (p. 165), about scarcity of labour in Kenya affecting Native rather than European production (p. 128), about the importance of the smallholder in plantation output (p. 163), etc. In an excellent chapter on Plantation Products, very well defined, there comes this typical selection of essentials—" tobacco is to Sumatra what tea is to Ceylon and sugar to Java " (p. 183). The first chapter, on " the Economic Characteristics of the Main Areas," is equally excellent, and contains some very good diagrams.

From the standpoint of Dr. Stamp's " University Series " the book is stimulating and suggestive almost in virtue of its blemishes. It is full of material; but no student could make full use of it without paying close attention to exactly what it says (what dates and percentages are given, etc.), and without taking the trouble to bring it up to date, and then being forced to draw deepened or even different conclusions.

Even where Mrs. Anstey fails, or simply does not wish, to make a particular point or complete a geographical argument, she often provides all the data needed. Two of the less important cases will illustrate the method. She knows " how little the Malay has contributed to the prosperity of his country " (p. 19) and the wonderful productivity of the Malay coconut (p. 182); if you add his *racial traits*, you understand why he will work, as she says, on a coconut plantation, but not in rubber or tobacco or in tin or coal-mining. So, she points out the position of the three great Java ports, and says that they are overshadowed by Singapore, but leaves it to the reader to ask *why* these ports are all on the north coast, and to infer that they would not be similarly overshadowed if they stood on the south coast. Nothing could be more stimulating to a good student than the task of filling in these little *lacunæ*. It is typical of the book.

L. W. Lyde.

The Conduct of British Empire Foreign Relations since the Peace Conference. By A. J. Toynbee. Oxford University Press: Humphrey Milford. pp. ix+126. 7s. 6d.

The subject indicated by the title of this book might seem at first blush to be too restricted to justify even the hundred odd pages which Professor Toynbee has devoted to it. As he points out in his preface, it is not a history of the foreign relations of the British Empire, for their scope is almost coextensive with the entire field of international relations. Nor is it a history of

inter-Imperial relations; it is a contribution to one section of the constitutional history of the Empire. But constitutional developments in that section have undergone a transformation so rapid, and so diversely manifested, that an analysis of them was badly wanted.

It is in taking this aspect of the constitution of the British Commonwealth by itself and tracing the various lines along which development has gone that Professor Toynbee has done a valuable work. The legal position has been analysed by Professor Berriedale Keith, and the general significance of the "Third British Empire" has been brilliantly expounded by Mr. A. E. Zimmern; but this book is the first to isolate the section of chief importance to students of international affairs and follow up one by one the various processes by which the changed relations between the members of the Commonwealth have manifested themselves in their intercourse with other states. It is also a good deal more up to date on points of fact than its most recent predecessors.

One of its most important sections is that dealing with the distinction between "passive" and "active" belligerency, which the author finds implied in the provisions of Article XVI of the Covenant as interpreted by successive assemblies of the League of Nations. Other subjects which are exhaustively dealt with are the action taken by the Dominions within the League, diplomatic representation of the Dominions in foreign States, and the problem, for which no really satisfactory solution has yet been found, of co-operation in the conduct of foreign policy.

Thus the main part of the book is an admirably documented historical survey; but the character we have come to expect in the publications of the Royal Institute of International Affairs is maintained in the general introduction in which Professor Toynbee traces the developments which have led up to the present stage in inter-Imperial relations, discusses the changes in world-politics to which the British Commonwealth has had to adapt itself, and points out the main resemblances between its principles and those of the League of Nations.

We still await, however, from his pen an account of the political relations *inter se* of the members of the British Commonwealth. They find no place in the annual *Survey* because they are not international; they are not recorded here because this volume is not political; but it will be a pity if they alone are to be excluded from a series of publications which embraces every other subject in the relations of one State with another.

L. P. Mair.

International Law : Vol. I (Peace). By L. OPPENHEIM. Fourth edition, edited by ARNOLD D. MCNAIR. Longmans. 1928. 1+827 pp. 42s.

Oppenheim on International Law has long since attained the rank of a classic which need neither fear the censure nor court the praise of a reviewer. The volume under review is the second in point of time of the fourth edition, the volume on the law of war having appeared in 1926. Dr. McNair has done his work in a manner which ensures that the authority of Oppenheim as the premier English treatise on international law will remain unimpaired.

For a scholar of Dr. McNair's standing to undertake the editing of another man's book is a very real act of self-sacrifice and self-effacement. Oppenheim died in 1919, and the state of his manuscripts, coupled with the immense accumulation of new material since his death, made it impossible for the editors of the third and fourth editions to retain unaltered the original text of his work. So the present volume, though still bearing Oppenheim's name, is to a very large extent the original work of Dr. McNair. On the whole it seems a pity that Dr. McNair did not accept the task of writing a new book under his own name, a task for which his qualifications are apparent on every page. The labour could scarcely have been greater than that involved in the present work, and it would have made it easier for the reader to give credit where credit is due. In international law the personal opinions of eminent authors still carry great authority, and it is only by a careful collation of the second, third, and fourth editions that a reader can ascertain whether the views expressed are those of Oppenheim, Mr. Roxburgh, or Dr. McNair.

The lot of an editor is particularly hard when his views do not agree with those of his author. For example, Oppenheim (pp. 429-31) accepted the doctrine of state servitudes, a theory which Dr. McNair himself has subjected to penetrating and destructive analysis in a well-known article. But Dr. McNair's policy of self-effacement has led him to confine his dissent to a single sentence, which briefly refers to his article in a modest footnote. So again we are only given the barest indication that the learned editor does not share his author's views on the important question of the juristic character of gulfs and bays (p. 407).

It need hardly be added that the subject-matter of the book has been most scrupulously brought up to date, and all important recent contributions to international law are carefully noted in the bibliographies annexed to each section. The work is as invalu-

able as it was in Oppenheim's own day, even though the authority of Oppenheim's name cannot be invoked for opinions upon those problems that he did not live to see arise. But let us hope that it will not be long before Dr. McNair writes his own book.

H. A. SMITH.

Japan Under Taisho Tenno, 1912-26. By A. MORGAN YOUNG (Editor of the *Japan Chronicle*). Allen and Unwin. 1928. pp. 347. 12s. 6d. net.

Probably no book in a western language contains so many interesting, little-known, and often important facts about recent Japanese history as this. Newspaper editors have great advantages in the writing of contemporary history, since they know, not only the topics of the day whose presentation to the public they supervise, but the still more numerous " stories " hardly suitable for immediate publication even in a land where non-seditious libel is as lightly regarded as in Japan. One is tempted on many a page to suppose that Mr. Morgan Young has found personal relief in this explosion of the suppressions of years. Certainly " Scandals," political, administrative, financial and judicial, occupy a quite inordinate place in the book if it is to be regarded as balanced history. But we are not ungrateful for the facts where normally the censorship, official inspiration (which for a season secured the ear even of the impeccable Reuter), and subsidised journalism are so unusually successful in hiding or masking unpleasing information from a too incurious West.

It must be admitted also that the foreign policy of Japan from the outbreak of the war to the Washington Conference was such that it needed no hostile pen to blacken it. Of the " Twenty-one Demands " one had heard enough, if rather late in the day ; but the details of the subsequent penetration of China, of the £30,000,000 of Terauchi loans in 1918—and the price of them, of the tightening grip on Northern as well as Southern Manchuria, and of the Siberian adventure 1918-22, will be to most readers both novel and astonishing. Japan enjoyed for years the blessed status of unemployed, or under-employed, ally—with the opportunities for unrebuked misbehaviour which are an ally's perquisite, yet without the distraction of serious participation in the common struggle —wealth rolling in from every quarter, and the chance of a century to settle the Far Eastern Question while all her competitors were heavily engaged elsewhere. She acted much as many another Power would have acted, perhaps with a little less care for the preservation of decent forms, a little less realisation of the need to

prepare for the pendulum's backward swing. The story of her pride and its fall with its successive stages, the disillusionment of the Siberian withdrawal, the ending of the British alliance, the losing one by one of all but four of her twenty-one Demands, humiliation before American Exclusion Acts, industrial slump and banking crisis, and that last unneeded coup-de-grâce of earthquake and fire, offers fit material for tragic drama—but not for Mr. Morgan Young, who prefers the annoying method of short episodes and instalments of each story, linked in a chain of strict chronology. The limiting dates of the Taisho Tenno (i.e. Era of Great Righteousness!) prevent the author from balancing its misdeeds with a previous history wherein Japan was often the patient victim of Western Imperialism or a clumsy learner at its feet, or by most recent history, where, after sharp lessons, she duly follows her Western models in the *dernier cri* of Peace Pacts. But it is the fault of Mr. Young and not of his subject-matter, that within the era itself he has too much neglected the higher lights which should have relieved his sombre picture. To give but two examples, nothing in recent Japanese experience has been finer than the reaction of that stoic and gallant people to the great catastrophe of the earthquake and fire. Yet of the meagre pages here allotted to the disaster and the reconstruction, half are devoted to quite minor and incidental scandals. Again, no one who has the slightest acquaintance with Japan's amazing educational system will be content with a witness who finds nothing in it worth description save the rather crude and spasmodic checks on the spread of "Dangerous thoughts." Granted correction and supplement from other sources, there can be few who will not vastly profit from the study of this book, but it is a pity that a man who knows the Japanese so well should dislike them so much.

L. G. Robinson.

Monopolies, Cartels and Trusts in British Industry. By H. Levy. Macmillan. 1927. xxi×356 pp. 14s.

This is a translation of the second German edition, that of 1927. The title of the first English edition (1911) was *Monopoly and Competition*, which book was so well-known that it is only necessary here to point out the differences between this issue and the last. Part I, dealing with "Monopoly in the Days of Early Industrial Capitalism," and Part II, dealing with "Free Trade and the Earliest Monopolist Combinations," are unaltered. In Part III, on "The Modern Organisation of English Industry on a Monopolist Basis," there are such changes as were needed to bring the descrip-

tion of monopolist organisation up to date. It has become possible to omit the reproach of insularity (p. 173) levelled against English economists for their neglect of the study of the economic developments of other countries, and to add a brief summary of war and post-war developments. The new matter is derived from the *Report of the Committee on Trusts* which emanated from the Ministry of Reconstruction; from Fitzgerald's *Industrial Combination in England* (1927); from the Commercial Supplements of the *Manchester Guardian*, and other similar sources. The later history of the paper, iron and cement trades and the developments of banking and transport are examined, and among the chief existing English cartels and trusts are now included Courtaulds and the Mond group in the chemical industry. Certain consequential changes follow from the analysis of this new experience.

Professor Levy has not modified the general thesis of his book. He would have added greatly to its value if the closing chapter of theoretical conclusions and criticisms had been amplified. Economy of space seems to have precluded this, and to have necessitated, in order to get new matter into the same number of pages, the occasional sacrifice of useful figures. But the work is still interesting and useful, particularly as a historical study, and its re-issue in amended form was well worth while.

H. L. Beales.

History of the United States, 1783-1917. By S. E. Morison. Oxford University Press. 2 vols. pp. 461 and pp. 504.

The value of these two volumes lies in their successful fusion of the narrative of great events with the fair statement of both sides of disputed problems. They were not written to give any political party or any school of historians a bad time, but to give to the English student not merely clues to an understanding of the present and future of America, but a sense of the American past. The historian is often troubled as to what place to give to events in his analysis of movements. Having shown the sweep of economic forces should he trouble to describe campaigns, however glorious or bloody, the result of which his economic analysis has anticipated? Mr. Morison has no such difficulty. He is not attempting an interpretation of the development of American civilisation. He is explaining to us what the best minds in America have found significant in their country's past. Whatever problems in American history have called for and secured analysis, whatever events have inspired enthusiasm or panic and misunderstanding,

the problem and the results of the analysis are indicated, the enthusiasm transmitted, and the panic and misunderstanding explained. The reader becomes a sophisticated American with no more finality in his judgment of American history than he should have in his judgment of his own, but with a sense of its past and an excited interest in its future.

This narrative is an indispensable supplement to Beard's *Rise of American Civilisation*. The bibliography is all that could be desired.

K. SMELLIE.

Political Pluralism. A study in contemporary political theory. By KUNG CHUAN HSIAO. Kegan Paul. 1927. viii+271 pp.

Prof. Hsiao's book is an excellent example of a tendency to be noticed in a great deal of recent philosophical speculation to find common ground between idealism and realism. Written from an idealistic standpoint, his analysis of pluralism is yet extraordinarily sympathetic. He grants that the pluralists are right in stressing the diversity of social interests, the conflicts between them, the complexity of social organisation, the consequent need of direct and free expression on the part of corporate bodies other than the state. But he insists that idealist writers have recognised all this in their own way and, above all, he complains that the critics of idealism have misunderstood and misrepresented its central doctrine—that of the General Will. His arguments, though penetrating and persuasive, yet fail to carry conviction. The opponents of the idealistic theory of the state do not, as Prof. Hsiao seems to imply, seek to find the ultimate basis of authority in the actual or momentary wills of individuals. They insist on the contrary that there are " objective " principles of legislation and " an element of oughtness," as Prof. Hsiao calls it, which are not to be discovered by either a psychological analysis of the momentary desires of individuals or by a historical account of the ways in which particular forms of coercive authority came to be established. They urge rather that the objective element in the moral law and in social organisation, so far as it is expressive of the moral law, is not to be found in will *quâ* will, even though that will be general, that the basis of authority is not personal, is not to be grounded on consent or acceptance by the will but on the constraint due to the value or worth of the ends to which the will is directed. Consent, as Prof. Hsiao himself holds, though a necessary condition of democracy does not constitute its essence, but this admission carries with it implications fatal to the idealist

theory, for it renders unnecessary the appeal to the consent of a supposed " better self " or a " real " will lying behind the actual will of individuals. Prof. Hsiao fails, moreover, to overcome the difficulty that has beset the theory of the general will since its formulation by Rousseau of bringing into intelligible relation two divergent conceptions of it, that which regards it as a *de facto* tendency operating in institutions and that which regards it as an ideal or completed system of values. But the charge against the idealist attitude is not, as Prof. Hsiao seems to think, that it separates the two conceptions, but rather that it confuses them so that it exhibits a constant tendency to idealise the actual and thus to justify the *status quo*. Upon the whole, then, Prof. Hsiao does not succeed in clarifying the central theory of the idealists. Nevertheless his book is an important contribution to the analysis of contemporary political tendencies and he writes with a charming combination of firmness and courtesy and an unusual and refreshing freedom from verbiage.

MORRIS GINSBERG.

The Industrial Revolution in the Eighteenth Century. By PAUL MANTOUX. Revised edition, translated by Marjorie Vernon. Cape. 1928. 539 pp. 16s.

Even before the war a translation of this substantial and authoritative book was promised. Though interest in the subject never flagged, students had to be content to take their turn at library copies, for the French edition had long been out of print and the second-hand catalogues never seemed to reveal a copy. Those who possessed it, stuck to it. Yet the influence of M. Mantoux's penetrating study was altogether out of proportion to the number of copies in circulation. Published in 1906, it was the first big-scale examination of the rise of industrialism. And it still holds its own in that sequence of notable books initiated by Toynbee's lectures and including Cunningham's last volume, Halévy's first, the Hammonds, Clapham, Fay and Knowles. In the Preface to the present revised edition, M. Mantoux describes his book as a " provisional *synthesis*, open to further improvements." Such modesty does not conceal the fact that a most careful incorporation has been made of significant researches published since the first edition, and that the book remains a classic, in its field.

The sub-title of Mantoux's book describes it as " an outline of the beginnings of the modern factory system in England." Nowadays historians find it increasingly difficult to discover a beginning

of the phase of development summarised under the term "industrial revolution." The main concern of M. Mantoux is, of course, with the half-century following 1760. It is not, however, an exclusive concern, and if there was nothing in this edition to show that it was a revision of a work written some twenty years ago it would not be suspected that this was not a new book. Perhaps that is the best way of commenting on this welcome translation. A great deal of important research has been made in the last twenty years into the antecedents of the industrial revolution. It is a great tribute to the clearness of vision and the industry of M. Mantoux that anything short of a complete re-writing of his work was possible.

The translation is reasonably well done. If it lacks the ease of the original, it always reads clearly and interestingly.

H. L. BEALES.

The Petty Papers. Edited by the MARQUIS OF LANSDOWNE. 2 vols. Constable. 52s. 6d. net.

The Marquis of Lansdowne has placed all students of economics and politics under a heavy debt by this careful selection from the manuscripts of his famous ancestor. While they do not alter in principle the Petty who emerges from Professor Hull's classic edition of his writings, they add much in detail to our knowledge. They reinforce the picture of a mind as ingenious and alert as any in that creative period of English thought. Lord Lansdowne has helped the reader greatly by an admirable classification of the materials. Particularly interesting are the sections dealing with government, statistics, and population; but all through the fertility of Petty's ideas is astonishing. He anticipates the use of the House of Lords as a source of Dominion representation; he suggests the creation of a county council for London; he urges that the state should develop medical research; he explains the need for a detailed census of wealth and production; he recommends the establishment of isolation hospitals for infectious diseases. This random selection of incidental plans in these two crowded volumes will perhaps make plain the wealth of material in the whole. It should be added that they are delightful to read.

H. J. LASKI.

Books and Pamphlets Received

(Books marked * are among those reviewed in this number; for a complete list of Book Reviews in this number, see page ii of cover.)

*V. Anstey: *The Trade of the Indian Ocean.* Longmans, 8s. 6d.

Lord Askwith: *British Taverns: Their History and Laws.* Routledge, 10s. 6d.

H. L. Beales: *The Industrial Revolution.* Longmans (W.E.A. Outlines), 2s., 1s.

*Philip S. Balesco: *Authority in Church and State.* Allen and Unwin, 12s. 6d.

Sir Hesketh Bell: *Foreign Colonial Administration in the Far East.* Arnold, 16s.

Ernest J. P. Benn: *The Return to Laissez Faire.* Ernest Benn, 6s.

Isaiah Bowman: *The New World: Problems in Political Geography.* Harrap, 21s.

Frederick A. Bradford: *Money.* Longmans, 10s. 6d.

*Christopher T. Brunner: *The Problem of Motor Transport.* Ernest Benn, 12s. 6d.

Edwin Cannan: *Wealth.* King, 5s.

Erich Carell: *Sozialökonomische Theorie und Konjunkturproblem.* München: Duncker & Humblot, M.9.00, 12.00.

Count Corti: The Reign of the House of Rothschild. Gollancz, 25s.

Maurice Dobb: *Wages.* Nisbet, 5s.

John Donaldson: *International Economic Relations.* Longmans, 16s.

Sir Frederick Morton Eden: *The State of the Poor.* Abridged and edited by A. G. L. Rogers. Routledge, 15s.

Erich Egner: *Versuch einer autonomen Lehre der Währungspolitik.* Leipzig: Werner Scholl, M.12.

Kurt von Eichborn: *Das Soll und Haben von Eichborn & Co. in 200 Jahren.* München: Duncker & Humblot, M.20.

Rupert Emerson: *State and Sovereignty in Modern Germany.* New Haven: Yale University Press (London: Milford, 16s.).

Bruno Foa: *Di Alcune Influenze del Tempo sul Valore.* Milano: Albrighi, Segati.

Bruno Foa: *Influenze Monetarie sulla Distribuzione della Ricchezze—La Inflazione.* Milano: Albrighi, Segati.

S. Herbert Frankel: *The Railway Policy of South Africa.* Johannesburg: Hortors (London: King).

Ernest Rutherford Groves *and* William Fielding Ogburn: *American Marriage and Family Relationships.* New York: Holt, $4.50.

Georg Halm: *Die Konkurrenz.* München: Duncker & Humblot, M.7.50, 10.00.

G. A. Johnston: *Citizenship in the Industrial World.* Longmans, Green, 12s. 6d.

A. Creech Jones: *Trade Unionism To-Day.* Longmans (W. E. A. Outlines), 2s., 1s.

*Philip Joseph: *Foreign Diplomacy in China, 1894-1900.* Allen and Unwin, 16s.

A. W. Kirkaldy: *The Romance of Trade.* New edition. Kegan Paul, 6s.

*Sir George Handley Knibbs: *The Shadow of the World's Future.* Ernest Benn, 10s. 6d.

Melvin M. Knight and others: *Economic History of Europe in Modern Times.* Allen and Unwin, 15s.

Jurgen Kuczynski: *Löhne und Konjunktur in Amerika.* Berlin: Finanzpolitische Korrespondenz.

Robert R. Kuczynski: *The Balance of Births and Deaths: Volume I: Western and Northern Europe.* New York: Macmillan, $2.00 (London: Allen and Unwin).

A. Elizabeth Levett: *English Economic History.* Benn's Sixpenny Library.

Charlotte Lorenz: *Die wirtschaftspolitischen Strömungen der Gegenwart.* München: Duncker & Humblot, M.2.50.

Reginald McKenna: *Post-war Banking Policy.* Heinemann, 7s. 6d.

Karl Marx: *Capital: A Critique of Political Economy—The Process of Capitalist Production.* Translated from the fourth German edition by Eden and Cedar Paul. Allen and Unwin, 12s. 6d.

Walter Meakin: *The New Industrial Revolution.* Gollancz, 9s.

Bruno Moll: *Logik des Geldes.* München: Duncker & Humblot, M.4.50.

August Muller: *Die unmittelbaren Beziehungen zwischen den Genossenschaften der Landwirte und der Verbräucher.* Jena: Fischer.

Paul H. Nystrom: *Bibliography of Retailing.* New York: Columbia University Press (London: Milford, 12s. 6d.).

L. Oppenheim: *International Law.* Vol I.—*Peace.* Fourth edition, edited by Arnold D. McNair. Longmans, 42s.

J. Taylor Peddie: *The Invariable Standard and Measure of Value.* Second edition. King, 7s. 6d.

D. H. Robertson: *Money.* New edition. Nisbet, 5s.

H. James Robinson: *The Power of the Purse.* Murray, 6s.

Robert G. Rodkey: *The Banking Process.* New York: Macmillan, 10s. 6d.

Arthur Shadwell: *Typhoeus or the Future of Socialism.* Kegan Paul, 2s. 6d.

C. E. R. Sherrington: *The Economics of Rail Transport in Great Britain.* 2 vols. Arnold, 25s.

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School Notes

Recent Higher Degrees which have been conferred by the University on students of the School include the Degree of LL.D. conferred on Mohammed Hamed Fahmy, for a thesis entitled " The legal principles underlying the international status of Egypt," and on Abul Siddiqi for a thesis entitled " History of the development of mercantile law in India, with special reference to the law of incorporated trading companies." The Degree of D.Litt. has been conferred on William Croft Dickinson, for research into the Administrative History of Scotland.

Governors

The Right Hon. the Earl of Rosebery, K.G., K.T., Chancellor of the University of London, and Mrs. Sidney Webb, D.Litt., LL.D., have been elected Honorary Governors of the School.

Staff

Mr. D. Hughes Parry, M.A., LL.M., has been appointed to the University Readership in English Law tenable at the School.

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The Historical Approach to Rent and Price Theory

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I

After a century and a half of debate over the relation of rent to prices, the principal authorities take up positions which are so divergent as to make harmonisation impossible. One group says with Taussig that :

> " Rent . . . forms no part of those expenses of production which affect price."[1]

while another equally insistent group replies with Jevons that :

> " So far as cost of production regulates the values of commodities, wages must enter into the calculation on exactly the same footing as rent."[2]

Looked at from a distance it sometimes appears that opponents in a dispute have been discussing different questions. It is the purpose of this paper to show that this is just what has happened in the case of rent and price. Strange as it may seem, two entirely different questions, starting from different hypotheses and inspired by interest in different aspects of economic theory, have been confused ever since Adam Smith wrote. The two questions were much alike. Both dealt with land rent and with prices : but at the crucial point their hypotheses were opposite, making it impossible that their answers should be the same.

The essential difference in the two questions is that in one the land was supposed to have an alternative use, while in the other it had none. In the one case a number of uses were sharply competing for the land and whatever use secured it was compelled to pay the competitive rent : in the other case the land had only one annual use and could only accept whatever rental the one use offered, or return to nature and receive nothing. The conclusion

[1] *Principles of Economics*, 3rd ed., ii, p. 63.

[2] *Theory of Political Economy*, 3rd ed, Preface, p. xlvi. A common theory which might seem to harmonise, or compromise between these theories divides rents into marginal and differential elements and says that the latter is not, but the former is, an element in expenses of production. This theory is criticised below, p. 154, n. 1

therefore followed that in the one case rent was a necessary payment, while in the other it was not. This is the simplest statement of the matter. The more fundamental aspect will come out in the theoretical section at the close of the paper. There it will be shown that equilibrium is formed in different ways in the two cases.

A principal cause of the confusion of these two questions is that the question of rent and price properly lies in two main fields, namely exchange and distribution. In exchange it has been usual to think of the price of particular products and to suppose that the land has many competitive uses: but in distribution it was, especially in the discussions before 1850, common to think of the *group* of commodities which a given *class* produces and to think of the land as taken from nature by one class and having no alternative but to return to nature. Some writers have discussed the question from one point of view at one time and from another at another time. Other writers have confused the two points of view, but have allowed one of them to dominate their discussion. In still other cases a writer has treated the matter exclusively from one point of view. The first of these comments applies to Smith and J. S. Mill, the second to the Ricardians and the third to Jevons.

Our first task is to show that two problems have been confused. After that has been completed we shall undertake to show the result of applying the equilibrium theory of value and distribution to these two problems. We are dealing with only one aspect of rent theory and shall, therefore, deal only with such aspects of its treatment by the most important writers as bear directly upon our task. The two problems are most clearly seen from the writings of the Ricardians, J. S. Mill and Jevons. The reason for their existence, however, goes back to the Physiocrats and Smith. Also they are clearly present in Smith's writings, in spite of less definite statements, and it has seemed best to treat the authors in chronological order.

II

In this section we shall examine the case of the French Physiocrats. This is not because they left any theory as to the relation between rent and price, but because the point of view with which they treated the relation between rent and other incomes was quite similar to the point of view which prevailed later in England. They dealt with a society divided into classes dependent upon economic position. Smith and the Ricardians dealt with a similarly classified society. Also the Physiocratic idea that those occu-

pations which furnished raw produce (the principal of which was agriculture) gave a " surplus " or " net product " while other occupations merely supported the people engaged in them, has close affinity to the English idea that rent is a " surplus " above price-determining expenses of production. We know, too, that Adam Smith was much influenced by their opinions and that other English writers were familiar with their theories.

The principal purpose of this section is to point out the peculiarities of these writers' treatment of the whole question of rent and to note its reasonableness, as well as its affinity to the later English idea. Of these peculiarities we should note three. (*a*) They were concerned with distribution or an explanation of the incomes of the different classes of their society. (*b*) They considered the rent (net product) of rural and not of urban land. (*c*) They looked on the rent (net product) not as from any particular kind of raw produce, but as from raw produce as a whole. They considered agricultural produce as a single commodity. (Their departure from that practice was to consider not the return to a particular kind of agricultural produce but the return to mining and forestry.)

Under mercantilist leadership rural interests had been sacrificed to industrial and commercial interests and the Physiocrats undertook to show that this was a mistaken policy. They hoped to prove that it was not through industry and commerce that a nation became rich, but through agriculture. This meant that they must analyse the conditions upon which the different kinds of incomes depended—that is, they had to develop a theory of incomes, or of distribution.[1] They believed agriculture to be superior to other occupations in that it furnished a net surplus over the costs of carrying it on. The point of view of distribution rather than of price was strictly proper to their problem and purpose.

The same reason accounts for their treating of rural land and its net product rather than of city land. City rents were a small item in the incomes both of the nation and of the people who received them. The question of rent for a European nation at that time was of rural rent. But besides this, they were attempting to show the virtues of rural agriculture as against urban industry and commerce. Their usage suited both the facts and their purpose.

Thirdly, it was proper that they should stress the net product from raw produce as a whole rather than from a particular kind

[1] Their principal achievement in this direction was, of course, the *tableau économique*.

of raw produce, and for the same reason. Had they been advocating the production of a particular agricultural crop, then the matter of competing uses for land would have come up : but they were advocating rural as against urban occupations and rural products as a whole, not particular rural products, was their concern. Therefore they could quite logically leave the selection of crops to agriculturists and make a distinction between the group as a whole and the products of industrial and commerical men.[1]

The class point of view was quite natural to the physiocratic problem. We shall not be surprised if we find similar points of view in the treatment of problems of distribution between classes, or of incomes of classes, in other countries similarly situated.

III

It has been common to pronounce Adam Smith inconsistent in his treatment of rent and price. He stated both that rent was and that it was not an element in determining the price of commodities. The former theory is developed and stated most clearly in Chapter VI of Book I of the *Wealth of Nations*. The latter is set forth in Chapter XI of the same book. In the former he says :

> " . . . the price of any instrument of husbandry, such as a labouring horse, is itself made up of the same three parts ; the rent of the land upon which he is reared, the labour of tending and rearing him, and the profits of the farmer who advances both the rent of this land and the wages of this labour."[2]

He says that corn has the same three elements in its price and that in every improved society :

> " all the three enter more or less, as component parts, into the price of the far greater part of commodities."[3]

But in Chapter XI the other theory is stated as follows :

> " Rent . . . enters into the composition of the price of commodities in a different way from wages and profit. High or low wages and profit are the causes of high or low price ; high or low rent is the effect of it. It is because high or low wages and profit must be paid in order to bring a particular commodity to market that its price is high or low. But it is because its price

[1] " The English statisticians of the latter part of the seventeenth century regarded the annual produce of the country with the eyes of a farmer. They thought of the raw produce of a farm, and regarded this as forming the subsistence of the whole of the people. The French économistes, or physiocrats, . . . had the same agricultural standpoint. . . ."—CANNAN, *Wealth*, p. 6.

[2] *Wealth of Nations* (all references to Cannan's edition), i, p. 52. [3] *Ibid.*

is high or low, a great deal more or a very little more, or no more, than what is sufficient to pay those wages and profit, that it affords high rent or a low rent, or no rent at all."[1]

Now Smith allowed these conflicting statements to stand through all the editions of his book and this in spite of the criticism of some of his most able friends.[2] In spite of their seeming inconsistency, Smith believed that both statements were somehow true.[3]

Careful examination reveals a number of facts about Smith's treatment which, while not making him quite consistent, show that his inconsistency resulted from the fact that he was discussing rent from two points of view without clearly distinguishing between them. Let us tabulate a few of these main points:

1. Smith discussed rent from the two points of view of price and distribution.
2. When he treated of value he considered " particular " commodities " taken separately," but when he treated of distribution he commonly considered " the whole annual produce . . . taken complexly."
3. When treating of value and particular commodities " taken separately " he looked for the supply of the particular commodity and therefore considered the rent paid for fields which had sharply competing uses: but when treating of distribution he looked for the supply of " the whole annual produce . . . taken complexly " of the land-owning class and therefore considered the rent paid for farm land as a whole, it having no competing use.

From this it followed that in the former case the rent must be paid in order to hold the land, while in the latter case rent-payment was not necessary because the land had no alternative but to accept the rent offered or return to nature and receive nothing.

As Cannan has pointed out, Smith's interests underwent a decided change on account of his contact with the Physiocrats during a three-year sojourn in France after considerable work had already been done on the *Wealth of Nations*. The earlier chapters indicate an interest primarily in exchange and prices. Beginning with the division of labour, the chapters follow naturally through exchange, money, price, component parts of price. Chapters are

[1] *Ibid.*, p. 147.

[2] See footnote to p. 134, n. 2 below.

[3] As Marshall says: " In many instances he anticipated in one part of his writings truths which in other parts he seemed to deny." *Principles*, 6th ed., p. 439, n.

then given to wages, profits and rent, not because these subjects are interesting in themselves, but because they are the component parts of price and throw light upon that matter.[1] After his sojourn in France, Smith's interest shifts to distribution, which was then the chief subject of study by the Physiocrats. Cannan believes that this led him to make several insertions and modifications in the earlier treatment.[2] Smith appears to have decided that his theory of the component parts of price, that is, of wages, profits and rent, was also a very good theory of distribution of incomes. Wasn't his explanation of what governed the amounts of these shares just what the Physiocrats were striving for? These component parts of price were paid to various persons and seemed to be merely their incomes. The following statement, apparently an insertion, undertakes to make this theory of prices into a theory of distribution[3]:

> "As the price or exchangeable value of every particular commodity, taken separately, resolves itself into some one or other or all of those three parts: so that of all the commodities which compose the whole annual produce of the labour of every country, taken complexly, must resolve itself into the same three parts, and be parcelled out among different inhabitants of the country either as wages of their labour, the profits of their stock, or the rent of their land: the whole of what is annually either collected or produced by the labour of every society, or, what comes to the same thing, the whole price of it, is in this manner originally distributed among some of its different members. Wages, profit and rent are the three original sources of all revenue, as well as of all exchangeable value."

This statement proves the first and second statements which we have just made about Smith's treatment, namely, that he discussed rent from the two points of view of price and distribution: that when he considered price he considered the price of "particular" commodities "taken separately," but when he considered distribution he thought of the various products "taken complexly" as the "annual produce."

The crucial fact remaining to be determined is whether or not the land was supposed to have competing uses in the one case and not in the other. We shall turn to that in a moment, but it will be helpful first to observe (*a*) the causes of and then (*b*) the tendencies following the usage thus far pointed out.

[1] See end of chap. vii. [2] *Theories of Production and Distribution*, p. 188.
[3] *Wealth of Nations*, p. 54.

It was not unnatural that Smith should look at rent from these two angles. A cost theory of value includes a consideration of the various payments which producers are required to pay: and any theory of distribution, especially in a period in which the dominating class, politically, socially and economically was the landlord class, would have to include rent. It was impossible to treat the two great questions of exchange and distribution without drawing rent into both of them.

It was also not unnatural that when considering value he should think of "particular commodities." The problem of value is the explanation of why the various particular commodities exchange in the ratios at which we find them in the market. That is, the problem of value *always* deals with particular commodities. It is not strange that Smith considered them in his treatment of that subject.

Now when one thinks of rent as an element in the cost of producing a particular commodity and at the same time the income of one of the "classes of society," it is fairly easy to confuse the two. They seemed to be merely opposite sides of the same thing, but in practice they became entirely different. In Smith's two problems rent as a share in distribution became something entirely different from rent as an expense of production of a particular commodity. As an expense of production for a particular commodity it was the competitive amount which that product had to pay in order to take a given field away from other uses. Its payment was necessary, under free competition, if that particular commodity were to be brought to market in the usual amount. If the price of that commodity did not allow it to pay a given rental, another commodity took over the field. That is, the land had competitive uses and the competitive rental must be paid in order to secure it for any one particular commodity.

But rent as a share in the distribution of the annual produce of the nation was something different; it was the total income of a "class" of society. This income was received not from the sale of one particular commodity, but from the sale of a large number of these very commodities which in the other case were competing for the use of the different fields. Rent as income became not the amount paid by a particular commodity for a given field, but the amount paid by agricultural, or raw, produce as a whole for "farms" or for the whole of the estates owned by the "landed interest."

This land was in a very different situation from the fields which had sharply competing uses. It had been taken from nature

without payment and had no other possible use. It must be used for generalised raw produce or return to nature. Consequently payment to it was not a condition of the furnishing of raw produce. The taking away of a share of particular rent meant that the fields would go to uses which would pay the full rent: but the taking away of this generalised rent meant that the land stayed on in the same use because it had no alternative which would bring it anything. In the former case rent was, in the latter case it was not, a necessary payment.

Let us now take up the matter of the two questions and see whether or not Smith actually considered that the land had a competing use in one case and none in the other. In his earlier treatment of prices he says:

> "The quantity of every commodity brought to market naturally suits itself to the effectual demand. If at any time it exceeds the effectual demand, some of the component parts of its price must be paid below their natural rate. If it is rent, the interest of the landlords will immediately prompt them to withdraw a part of their land; and if it is wages or profit, the interest of the labourers in the one case, and of their employers in the other, will prompt them to withdraw a part of their labour or stock from this employment."[1]

The important point here is that the owners of land are supposed to be in a position to "withdraw a part of their land" without loss. It is obvious that they put it to other uses which pay a better rental than this low-priced commodity now affords. Unless it received the normal rent, that field would not produce that commodity.

Let us now turn to the part of the book in which rent is considered from the point of view of distribution. Although Smith states in the quotation already given [2] that "Wages, profit and rent are the three original sources of all revenue," he gives no part of his work explicitly to a discussion of that aspect of them. His chapter on rent is said to be a continuation of his price discussion and is written supposedly:

> ". . . to show what are the circumstances which regulate the rent of land, and which either raise or lower the real price of all the different substances which it produces."[3]

After a short introduction of four pages which contain the above quoted statement to the effect that rent is an effect rather than a

[1] *Wealth of Nations*, p. 59.
[2] See p. 128 above.
[3] *Wealth of Nations*, bk. i, ch. vii, last par.

cause of high price, and which look more like a postscript after the development of the author's interest in distribution than a part of the discussion of the prices of particular commodities, we have two " parts " which have little bearing upon our problem. It is the " introduction " to which our chief attention should be given, because in it we have the claim that rent is an effect of high price. The central thing in this introductory section is not a field but a farm, and not a " particular commodity " but " the produce of land." At only one place does Smith fall into the use of the other term, and that appears to have been either an oversight or a deliberate attempt to smooth over a matter which he did not quite understand.[1] Here Smith says :

> " Such parts of the produce of land can commonly be brought to market, of which the ordinary price is sufficient to replace the stock which must be employed in bringing them thither, together with its ordinary profits. If the ordinary price is more than this, the surplus part of it will naturally go to the rent of land. If it is not more, though the commodity may be brought to market, it can afford no rent to the landlord. Whether the price is or is not more, depends upon the demand."[2]

Now as compared to the statements already quoted from Smith's earlier discussion, the important point to be noted here is that although the rent falls to zero, the landlord is able to do nothing about it. In the other case the " landlords will immediately . . . withdraw . . . land," and merely because the rent falls. Here it disappears and the commodity is still " brought to market."

It is obvious that the two cases are different : and equally obvious that in the case of " particular commodities, taken separately " the land is in demand for other uses, while in the case of " produce of land " all the particular commodities are reduced to one and the land must accept what is offered or return to nature and receive nothing. In the one case it has a competing use and in the other it has not. The third of our three statements made about Smith's treatment of this subject is shown to be true. In treating of the value of particular commodities, Smith supposed fields to have competing uses, while in treating of distribution and the value of " Raw Produce," he thought of farm land as a whole, it having no competing use.

There is just one part of his treatment which is not in harmony

[1] Cannan has shown that Smith sometimes patched up parts which did not quite fit. *Theories of Production and Distribution*, p. 38.

[2] *Wealth of Nations*, p. 146.

with this interpretation. Until the last paragraph of but one the introductory section he speaks of rent in general terms " considered as the price paid for the use of land " and of " the produce of land " giving no hint that he is dealing with the rent paid for producing a " particular commodity, taken separately." But here, and in the important statement which claims that " rent enters into the composition of the price of commodities in a different way from wages and profit," he uses the term which we should least expect and which is entirely out of harmony with all the balance of the section. He says not " produce of land," but " a particular commodity." If he had used the other term the whole treatment would have fitted perfectly with the interpretation which we have made and would have been to that extent reasonable. As it is this term is entirely out of place. It cannot be said that Smith *meant* to say " produce of land," but it can be said that he *should* have said it. At any rate it can be affirmed that if he meant to say that rent did not need to be paid in order to bring " a particular commodity " to market, he immediately forgot it : for we only turn the page to find the opposite doctrine again. Here he says :

> "A great part of the cultivated lands must be employed in rearing and fattening cattle, of which the price, therefore, must be sufficient to pay, not only the labour necessary for tending them, but the rent which the landlord and the profit which the farmer could have drawn from such land employed in tillage."[1]

This is in strict harmony with his earlier statements regarding rent and the price of a particular commodity ; but entirely out of harmony with the last quotation except under the above interpretation, namely, that in that statement, he was actually considering " the produce of farms."

Smith's treatment of taxation bears out the interpretation here given. While not dividing land into that which has and that which has not a competing use, one part of his classification depends upon that fact. His conclusion is that if a general tax is laid on the rent of land,

" the landlord is in all cases the real contributor."[2]

Also, such a tax

" has no tendency to diminish the quantity " . . . and . . .
" can have none to raise the price of that produce."

This is a tax on land in general and has no relation to the par-

[1] *Wealth of Nations*, pp. 149-150. [2] *Wealth of Nations*, ii, p. 313.

ticular crop for which the land is taken. It is assumed that it has no possibility of escape and that it will produce the same quantity of the same goods as before. While containing no reference to marginal produce, this corresponds to the principal case and conclusion of the Ricardians later.

But Smith also considers taxes on some particular products of land. In one of these cases the land is specially fitted for one use which gives it a "monopoly" rent. There is a possibility of avoiding the tax by shifting to another use because there is no effectively competing use for the land. Like the last case, there is thus no tendency to reduce the produce and the tax falls upon the rent-receiver. He says:

> "A tax upon the produce of those precious vineyards, of which the wine falls so much short of the effectual demand, that its price is always above the natural proportion to that of the produce of other equally fertile and equally well cultivated land, would necessarily reduce the rent and profit of those vineyards. The price of the wines being already the highest that could be got for the quantity commonly sent to market, it could not be raised higher without diminishing that quantity; and the quantity could not be diminished without still greater loss, *because the lands could not be turned to any other equally valuable produce.* The whole weight of the tax, therefore, would fall upon the rent . . . of the vineyards."[1] (The italics are mine.)

The kernel of this matter is that the land *has no alternative use.* The conclusion, as in the above case of a tax on general rent, is inevitable.

But Smith introduces the case of competing uses and here we find the same assumptions and conclusions as in his discussion of price in Chapter VII of Book I. A tax which interferes with the rental which a piece of land can get in one of its competing uses will cause it to be withdrawn from that use and the tax to be paid by the consumer in higher prices. He says:

> "The rent and profit of barley land . . . must always be nearly equal to those of other equally fertile and equally well cultivated lands. If they were less, some part of the barley land would soon be turned to some other purpose; and if they were greater, more land would soon be turned to the raising of barley.

[1] *Ibid.*, pp. 376-377.

> " The different taxes which have been imposed upon malt, beer and ale have never . . . reduced the rent . . . of barley land. The price of malt to the brewer has constantly risen in proportion to the taxes imposed upon it ; and those taxes, together with the different duties upon beer and ale, have constantly either raised the price, or what comes to the same thing, reduced the quality of those commodities to the consumer. The final payment of those taxes has fallen constantly upon the consumer and not upon the producer."[1]

It will be observed that the hypothesis is the opposite of what it was in the last quotation. Here the land has an alternative use—and the conclusion is equally inevitable. Thus in Book V as in Book I, the rent for one of two or more sharply competing uses is an expense of production ; while if the land has only one economical use, the rent payment or non-payment has no effect upon the supply or price of its product.

Hume criticised Smith's findings on rent and price and wrote him :

> " I cannot think that the rent of farms makes any part of the price of their produce, but that the price is determined altogether by the quantity and the demand."[2]

Now Smith had not stated that " the rent of farms makes any part of the price of their produce." When he spoke of rent being an expense of production he had spoken of particular fields and particular commodities. It appears that neither Hume nor Smith realised that the relation of rent to price was being discussed with two wholly different sets of hypotheses.[3]

[1] *Ibid.*, p. 376.

[2] Rae, *Life of Adam Smith*, p. 286. See also Gide and Rist, *History of Economic Doctrines*, Smart's translation, p. 64 n.

[3] Two recent books furnish good examples of the uncertainty still prevailing between Smith's two points of view. *The Science of Prices*, by Todd, Oxford, 1925, says (p. 47) : " Rent depends on price, not price on rent," but again (p. 49) it says :

> " Theoretically, therefore, true economic rent can never enter into cost of production ; but there is one case in which it really does do so in effect, namely, that of an established agricultural country where it is proposed to introduce a new crop in competition with those already grown."

Fairchild, Furness and Buck say in their *Elementary Economics* (Macmillan, 1926), p. 129, that " economic rent is not one of the costs which determine the selling price of agricultural products." But two pages later they state that

> " Costs of the alternate use can in rare circumstances enter into the price."

In neither of these books are the two problems distinguished and in both of them two opposing conclusions are reached.

A few writers have mentioned these two questions and Marshall gives a section of his *Principles* to the case of competing crops and rent. His treatment is criticised below, p. 42, n. 2. Neither Marshall nor any other writer known to the author has pointed out that the two problems involve different hypotheses and different conclusions. For an earlier statement of this position see an article by the present writer in the *Mita Gakkai*, Tokyo, for March, 1921.

IV

This section will treat the theories of West, Malthus and Ricardo who developed the so-called Ricardian theory of rent.[1] Its main purpose will be to show that while they treated rent and price in connection with a problem which involved both value and class distribution, their treatment was dominated by the point of view of the latter. They looked on land as having no competing use and grouped all its produce under one commodity which they called variously, " raw produce," " food," " corn."

An outstanding fact about the Ricardian theory is that it was developed in connection with the open discussion of a practical public question. These writers were not cloistered schoolmen, but pamphleteers fighting for definite political policies. Their theories were developed in connection with the English corn-law controversy of 1813-15 and can be understood only in connection with that controversy. As Cannan says :

> " . . . We are indebted . . . to the corn law controversy of 1813-15 for the Ricardian theory of rent and distribution in general."[2]

West hurried his publication " before the meeting of Parliament," and Malthus did the same in the hope of influencing the action of that body. Ricardo says that these two publications furnished the world " nearly at the same moment, the true doctrine of rent." His own pamphlet, *Influence of a Low Price of Corn on the Profits of Stock*, was in print within six weeks.[3]

Malthus's pamphlet was practically reprinted in his *Principles*, and the same ideas were reproduced by Ricardo in his own *Principles*. Speaking of this book, Cannan says :

> " Read with the pamphlets which preceded it, Ricardo's *Principles of Political Economy and Taxation* is intelligible enough. Read without them, it is the happy hunting ground of the false interpreter."[4]

Two circumstances were mainly responsible for this great corn-law controversy. First, there was the agricultural situation brought on by the Napoleonic wars. Second, there was the new clash of classes growing out of the industrial revolution.

England had been shut off by the war from her regular supplies of corn from the continent and the prices of farm produce and of

[1] Ricardo approves of the rent theory of the other two. *Principles*, author's preface.
[2] *Theories of Production and Distribution*, p 388.
[3] *Ibid.*, p. 161 n.
[4] *Ibid.*, p. 388.

land had risen remarkably.[1] There was a great increase in production, partially through the more intensive cultivation of the old land and partially through the taking in of areas previously uncultivated. Farms had been purchased and mortgaged with the expectation of paying interest and principal from the sale of these heavy yields at the ruling high prices. But with renewed access to continental supplies and the fall of prices, agriculture was depressed. "The landed interest" was agitating for such import duties as would allow the war-prices to continue and had already secured favourable action.[2]

Opposition to these measures was particularly determined because of the changes wrought by the industrial revolution. The position of the landed aristocracy as the political, economic and social dictators of the nation was being challenged by the new urban classes. Labourers had gotten misery rather than affluence from the new conditions and were already demanding "untaxed food." England was rapidly becoming "the work-shop of the world" and the self-made city man whose enterprise was bringing that about were alert to secure and retain every possible advantage. This group was strongly opposed to any measure which might result in higher priced raw materials of any kind. There was a strong belief that if the price of food could be kept low, wages, which were one of the most important items in costs, would also be low. This would mean prosperity for British manufacturers, merchants, shipowners and bankers. Ricardo said:

> "Corn being one of the chief articles on which the wages of labour are expended, its value to a great extent regulates wages —and there is no other way of keeping profits up but by keeping wages down."[3]

Radicals were also agitating the land question. There were echoes of the French revolution and Thomas Spence and his followers demanded the forcible distribution of the land among the people.[4] As one writer put it:

[1] See Green, *A Short History of the English People*, rev. ed., p. 828. Cannan shows, *Theories*, p. 151, that some rents were five times as high as in 1790. A schedule of wheat prices at Windsor market shows that for forty-six of the years of the eighteenth century it was below £2 and that it was below £3 except for two years within the first decade: but that it mounted so high as to range between £5 6s. and £6 8s. in the period from 1808 to 1813. West, *Application of Capital to Land*, p. 67.

[2] A Corn Committee of the House of Commons proposed in 1813 that the duty on wheat be placed at 24s. 3d. per quarter unless the price were 33⅓ per cent. above the average of the twenty years immediately preceding. Porter, *Progress of the Nation*, 3rd ed., pp. 153-154. [3] *Protection to Agriculture*, 4th ed., sec. 6.

[4] Shortly before his death, September 1st, 1814, Spence attempted to publish a new periodical, *The Giant-Killer or Anti-Landlord*. Beer, *History of British Socialism*, i, pp. 107-109.

" The cry of ' no land-lords ' stood rubric on the walls."[1] Everyone knew that the landlords received large rents from the sale of rural produce and it was commonly supposed that these rent payments made the price of rural produce higher in the cities. " Before Ricardo's time most practical men thought that rent was a cause of high price."[2]

It was not only those whose economic interests conflicted with the interests of the landlords who gave impetus to the feeling against them. Leading economists held and published opinions which furthered the idea that landlords were undesirable monopolists. Even Ricardo, who did more than any other person to remove the cause of ill-feeling, said that :

> " The interest of the landlord is always opposed to that of the consumer and manufacturer."[3]

And J. S. Mill states that :

> " It was long thought by political economists, among the rest even by Adam Smith, that the produce of land is always at a monopoly value."[4]

But the economist who was most severe upon this class was David Buchanan. He issued an edition of Smith's *Wealth of Nations* in 1814, the very year in which two reports of Parliamentary Committees on the corn question were published,[5] and in his own notes condemned this landlord monopoly in no uncertain terms, saying :[6]

> " . . . corn always affords a rent, being in no respect influenced by the expenses of its production."

And again :

> " The neat surplus . . . plainly arises from the high price of produce, which, however advantageous to the landlord who receives it, is surely no advantage to the consumer who pays it. Were the produce of agriculture to be sold for a lower price, the same neat surplus would not remain, after defraying the expenses of cultivation ; but agriculture would be still equally productive . . . ; and the only difference would be that, as the landlord was formerly enriched by the high price, at the expense of the community, the community will now profit by the low price, at the expense of the landlord. The high price in which

[1] Cannan, *Theories of Production and Distribution*, p. 223 n.
[2] Toynbee, *Industrial Revolution*, p. 117.
[3] *Principles*, p. 322.
[4] *Principles*, bk. iii, ch. v, sec. 2.
[5] One ordered to be printed on July 26th and the other on November 14th.
[6] Vol. iv, p. 37.

the rent or neat surplus originates, while it enriches the landlord who has the produce of agriculture to sell, diminishes in the same proportion the wealth of those who are its purchasers."[1]

It is clear that Buchanan had no conception of diminishing returns. He appears to have supposed that when corn which required 70 shillings per quarter in labour and capital to produce is sold in the market at 105 shillings, it is because 50 per cent. has been arbitrarily added for rent.

This appeared when the rent question was already at white heat and when those writers who make up the Ricardian group were already deeply interested in it. Malthus takes up " the cause or causes of the high price of raw produce " and is specially opposed to Buchanan's treatment,[2] saying that Smith, the economists and some " modern writers,"

" consider rent as too nearly resembling in its nature and the laws by which it is governed, the excess of price above the cost of production, which is the characteristic of a monopoly."

His main reason for writing his *Nature and Progress of Rent* appears to have been to correct these false ideas. He considered Ricardo as too hard on the landlords. In their discussion of this question they developed the theories which were reproduced in their respective *Principles* and which have been the main basis for rent theory until to-day.

It has been stated above that these writers took all raw produce as one and supposed that the land had no competing use : that in this their treatment differs from Smith's first and is similar to his second treatment. In order to make this clear it is necessary to point out very clearly a number of features which characterise their treatment.

1. These writers considered the question from a point of view which included both value and distribution, but which was dominated by the latter. The corn law discussion centred about the question as to what determined the price of raw produce to the urban population. It was to this extent a question of value. But it was not a question of the value of particular commodities such as must be dealt with in a complete theory of value. It was a question of the value of the gross produce furnished by one class, the rural class. It was dominated by the class point of view. Ricardo's chapter on Rent is put in as a sort of appendix to his

[1] *Ibid.*, vol. iv, p. 134. This was quoted and sharply criticised by Malthus.
[2] *The Nature and Progress of Rent*, pp. 12-15. Ricardo also criticises Buchanan, *Principles*, p. 236. All references are to Gonner's edition.

chapter on Value, but it contains no reference to any goods save raw produce as a whole. It is brought in directly from the corn-law discussion in which its theory was developed. Also he says that " the principal problem in Political Economy " is " to determine the laws which regulate this distribution " . . . of " the produce of the earth " . . . among " these classes under the names of rent, profit and wages." Malthus's chapter in his *Principles* was similarly brought in. There is much in common between the point of view with which they approached the subject and the point of view of the Physiocrats, which also dominated Smith's second treatment. *Their discussions were dominated by the point of view of distribution between social classes.*

2. These writers therefore considered only rural or agricultural rent. Urban rents were small and of little importance at the time and had no relation to the corn-laws. As Cannan says :

> " Merchants and manufacturers often owned the land on which shops, counting houses and factories were built, but this was regarded as a small matter which did not suffice to turn them into ' landlords,' as the rental value of their premises would be generally trifling in proportion to their gains as ' monied men.' Land in towns was practically ignored."[1]

Marshall says they supposed

> " . . . that all the land will be used for agricultural purposes, with the exception of building sites which are a small and nearly fixed part of the whole."[2]

The quotation just given from Buchanan shows him to have been wholly concerned with agricultural rents. Rent " enriches the landlord who has the produce of agriculture to sell." In fact, these writers all place raw produce over against manufacturers and actually suppose that it is only the former that pays rent at all.[3]

Ricardo says :

> " . . . there is always a portion of capital employed on the land which yields no rent . . . the result of which, as in manufactures, is divided between profits and wages."

And again :

> " . . . in the production of manufactured commodities every

[1] *Wealth*, pp. 163-164. [2] *Principles*, 7th ed., p. 434.

[3] This is closely connected with their idea that raw or agricultural produce is furnished under diminishing returns while manufactures are furnished under constant returns. See Ricardo, *Principles*, p. 51 ; West, *The Application of Capital to Land*, Hollander's ed., p. 12 ; Malthus, *The Nature and Progress of Rent*, Hollander's ed., p. 33

portion of capital is employed with the same results ; and as no portion pays rent, every portion is equally the regulator of price."[1]

Also :

"Neither the farmer who cultivates that quantity of land, which regulates price, nor the manufacturer, who manufactures goods, sacrifice any portion of the product for rent. The whole value of their commodities is divided into two portions only : one constitutes the profits of stock, the other the wages of labour."[2]

The question of rent at that time was wholly a question of rural rents. The returns from "raw produce" were divided between wages, profits and rent and the returns from manufactures between only wages and profits. *These writers considered all rent as agricultural rent.*

3. These writers considered not the rents paid by particular agricultural products for particular fields but the rent paid by agricultural (or raw) produce as a whole for agricultural land as a whole. They did not place *one kind* of raw produce over against another, but placed "*raw produce*" over against "*manufactures*." At no place in West's *Application of Capital to Land*, Malthus's *Nature and Progress of Rent*, or in Ricardo's chapter on Rent in the *Principles* is there any discussion of the supply of a particular product or its competition with others for the use of the land. Buchanan's treatment is similarly concerned.

At only one place does Ricardo intimate that "raw produce" may be something other than "food" and even here he does not distinguish between different kinds of raw material or show how the supplies of particular products, such as bread and cotton cloth, are in any way dependent upon the production of different particular kinds of raw material. He leaves all kinds of raw material lumped together and takes no note of such facts as that cotton must compete with corn for land. He says :

"Raw material enters into the composition of most commodities, but the value of that raw material, as well as corn, is regulated by the productiveness of the portion of capital last employed on the land, and paying no rent ; and therefore rent is not a component part of the price of commodities."[3]

None of these writers even recognise in the discussion of this question the supplies of the different particular kinds of raw pro-

[1] *Principles*, pp. 235, 236. See also p. 87.
[2] Ricardo, *Principles*, ch. vi, sec. 42.
[3] *Principles*, p. 55.

duce. Ricardo's treatment makes much of the shifting of labour and capital between raw produce and manufactures, but never comes to the shifting of land, because by his hypothesis land had only one use and did not shift to manufactures. He says:

> " . . . when the profits on agricultural stock . . . are 50 per cent. the profits on all other capital, employed either in manufactures or in foreign commerce . . . will be also 50 per cent. If the profits employed in trade were more than 50 per cent., capital would be withdrawn from the land to be employed in trade. If they were less capital would be taken from trade to agriculture . . . the profits on agricultural capital cannot materially vary without occasioning a similar variation in the profits on capital employed on manufactures and commerce."[1]

This is the same principle which Smith applied to land in his early discussion of the relation between rent and prices of particular commodities. Smith supposed that land was withdrawn from one agricultural use to another. Ricardo supposes only labour and capital to be withdrawn and these only as between " the land," manufactures and trade. The reason for this difference is that Smith dealt with particular commodities and supposed that the " fields " had competing uses, while Ricardo dealt with groups of commodities, like raw produce and manufactures, and supposed that " the land " had only one possible use.

But while the Ricardian treatment of rent and price was so dominated by this class point of view that the question of competing commodities did not come into it, this does not mean that Ricardo and the others of the group would have denied the influence of particular rent payments upon the supplies and prices of particular commodities. Indeed, Ricardo specifically agrees to the necessity of land shifting in the same way in which Smith believed it to take place [2] and to the effect which this will have upon the supply of a given product. He quotes with warm approval the statement from Adam Smith's treatment of taxation which we have given above:

> " The rent and profits of barley land must always be nearly equal to those of other equally fertile and equally well-cultivated land. If they were less, some part of the barley land would soon be turned to some other purpose; and if they were greater, more land would soon be turned to the raising of barley."[3]

[1] *Influence of a Low Price of Corn on the Profits of Stock in Works*, pp. 372-373.
[2] Both J. S. Mill and Jevons brought this point out later. See below, p. 145 *et seq.* and p. 148 *et seq.*
[3] *Principles*, pp. 237-238.

This is just what Smith in his discussion of price had called the withdrawing of land,[1] and what Ricardo called the withdrawing of capital in his discussion of the corn law question.[2] And Ricardo goes on quoting Smith to the effect that any interference with the landlords' receipt of the whole rental for any particular use does affect its supply and price to the consumer. He says :

> " The different taxes which have been imposed upon malt, beer and ale have never . . . reduced the rent and profit of barley land. The price of malt to the brewer has constantly risen in proportion to the taxes imposed upon it ; and those taxes . . . have constantly either raised the price or . . . reduced the quality of those commodities to the consumer."

It appears that the payment of the *ordinary* land rental was one of the elements determining the supply and price of barley. Land had shifted to uses which paid better. This is the opposite of Ricardo's conclusion when he considers a general tax on land rent for whatever purpose it is used. In that case he says :

> "A tax on rent would affect rent only ; it would fall wholly on landlords, and could not be shifted to any class of consumers."[3]

So also Malthus, although his main treatment is of the relation of rent-payment to the price of raw produce as a whole, introduces the case of competitive rentals and decides that their payment or non-payment *does* affect prices. He says :

> " . . . corn is sold at its natural or necessary price ——. This price must on an average be at the least equal to the costs of its production on the worst land actually cultivated, together with the rent of such land in its natural state : because, if it falls in any degree below this the —— land will be left uncultivated. The rent of land in its natural state is therefore so obviously a necessary part of the price of all cultivated products, that if it be not paid they will not come to market ——."[4]

This, too, is just the position taken by Smith in his discussion of particular commodities. It is not inconsistent with Malthus's main position regarding raw produce as a whole because here he is considering corn as a particular commodity and its rental as competing against the rental which the land could earn in pasture or some other non-cultivating use.

Professor Hollander speaks of Malthus's " glaring inconsis-

[1] See quotation above, p. 130, n. 1.
[2] See quotation above, p. 141, n. 1.
[3] *Principles*, ch. x, first statement.
[4] *Principles*, ch. iii, sec 5.

tency" [1] in this statement, but does not note that a confusing change of hypothesis has been introduced and that this changes the whole situation. This produce is actually on the margin of not being produced at all and the rent must be paid to secure it.

The Ricardian writers reached their conclusion because they considered the relation of rent payment to the value not of particular products, but to the value of raw produce as a whole. When they incidentally considered the question of competitive rentals they reached the opposite conclusion.

4. This brings us to the fourth and most important fact about their treatment, namely, that the land had no competing use and must accept the rental which raw produce offered or return to nature and receive nothing. Ricardo says:

> "On the first settling of a country in which there is an abundance of rich and fertile land . . . there will be no rent. . . . When in the progress of society, land of the second degree of fertility is taken into cultivation rent . . . commences . . . on the first . . . with every step in the progress of population, which will oblige a country to have recourse to land of a worse quality, to enable it to raise its supply of food, rent on all the more fertile land will rise. . . . It often . . . happens that capital can be employed more productively on those lands which are already in cultivation. . . . In this case, as well as in the other, the capital last employed pays no rent. . . . When land of an inferior quality is taken into cultivation, the exchangeable value of raw produce will rise. . . . The reason is . . . because more labour is employed to produce it."[2]

The land of a society is taken up *freely* whenever it is needed and is taken, not away from some other rent-paying use, but from non-paying idleness. It is clear that this is a different situation from that considered by Smith when treating of the value of particular commodities and of the rent on barley land in spite of its commodities being heavily taxed. It is also a different situation from that mentioned by Ricardo when speaking of the movement of capital between "the land" manufactures and trade. In those cases the agent was taken from a paying use and could only be taken if that payment were equalled. In this case it is taken from nature and freely. So also in those cases it was necessary to keep on paying for the agent because it would go back to another use

[1] See Editor's introduction to Ricardo's *Notes on Malthus*, by Hollander and Gregory, p. liv.

[2] Gleaned from secs. 25, 26 and 27 of the *Principles*.

unless it were paid well. In this case it is not so. Ricardo goes on to say :

> " Population regulates itself by the funds which are to employ it. . . . Every reduction of capital is therefore necessarily followed by a less effective demand for corn, by a fall of price, and by diminished cultivation. In the reverse order to that in which the accumulation of capital raises rent, will the diminution of it lower rent. Land of a less unproductive quality will be in succession relinquished, the exchangeable value of produce will fall, and land of a superior quality will be the land last cultivated, and that which will then pay no rent."

That is, *this land has no rent-paying alternative* to which it can go.

The hypotheses of the Ricardian treatment were natural to the practical problem with which they dealt. They considered only rural rent and reduced all kinds of raw produce to one. They therefore supposed that land had only one use and that rent payment was not necessary to secure its contribution to the product. These hypotheses are essentially the same as those taken by the Physiocrats and by Smith when dealing with rent and " the produce of land." In all three cases the hypotheses depended upon the fact that the writers were interested primarily not in a theory of exchange for particular commodities, but in the incomes of the various classes.

V

It is often said that John Stuart Mill's economic theory represents a period of transition. This applies to his explanation of the relation between rent and price. He was educated in the Ricardian system and the conditions out of which it was moulded continued throughout his young manhood ; but a wider set of influences played upon him and a new set of conditions brought new problems and a new point of view. Ricardo was a remarkably able business man who dealt with concrete national problems in a highly abstract manner. Mill considered not so much the practical problem of his own nation as the welfare of mankind. With him the old designation, " political economist," became obsolete, for he was much more, a social philosopher.

Mill's treatment of rent and price contains the two points of view of value and distribution which we have found mixed in Smith's treatment. Like Smith, he fails to distinguish clearly between the two problems. While he reaches Smith's conclusions in both cases, his principal discussion is upon the Ricardian

hypothesis that there is no competing use for the land. Here he finds that rent is not a necessary expense of production. In his attempt to formulate a complete theory of value, however, he introduces the case of competing uses and says that in such a case the answer is the opposite. But Mill does not develop this aspect of his theory so fully as he develops the Ricardian aspect and most students of his treatment have pronounced it Ricardian. He did much better in the field through which the Ricardians had blazed the way than in the one in which he had only the dim and devious path of Smith to guide him.[1]

Book II of the *Principles* is on Distribution, and in it Chapter XVI is on Rent. The last section of this chapter is entitled, " Rent does not enter into the cost of production of agricultural produce." Book III treats of Exchange, and Chapter V is entitled, " Of rent in relation to value." It treats of " Commodities which are susceptible of indefinite multiplication, but not without increase of cost " and " The principal of them is agricultural produce." In all this treatment Mill follows strictly Ricardian lines. He supposes a growing community which takes land freely from nature whenever " an increased quantity of produce is required." Like his Ricardian forbears, he lays much stress upon diminishing returns for agriculture and constant returns for manufacture. He says nothing of particular commodities or competing uses and concludes that " rent therefore forms no part of the cost of production which determines the value of agricultural produce."[2]

But Mill does not leave the matter as if it were thus simply and finally settled. He calls this the *pons asinorum* of political economy and says that although it is accepted by " the best political economists," its use is not advisable " even by those who are aware of the restrictions with which " it must be taken. He takes up non-agricultural rents, speaking of mines and fisheries (there being no competing use) and also of rents for residence and trade. It is important to note that in these last two cases he introduces the competitive rental idea and says that the land must receive as much as it could earn in agriculture. He is struck by the high rents in Cheapside, due to " the superior facilities of money-making in the more crowded place."

These wanderings from sole attention to agricultural rent shows that Mill brings into his purview something more than the rent for

[1] As Ricardo himself remarks : " The subject of rent and the laws by which its fall and rise are regulated have been explained since the time of Adam Smith." (*Protection to Agriculture*, 4th ed., sec. 16.)

[2] Bk. iii, ch. v, sec. 2.

" raw produce " which came into the corn-law discussion. We should not be surprised, therefore, if we find our safe and sane Ricardian reaching something other than the Ricardian conclusion. In fact, he introduces Smith's first question, the competition of different uses for the same land. In treating it he abandons the so-called Ricardian position and makes rent an expense of production which affects price. Mill says :

> " No one can deny that rent sometimes enters into cost of production. If I buy or rent a piece of ground, and build a cloth manufactury on it, the ground rent forms legitimately a part of my expenses of production, which must be repaid by the product. And since all factories are built on ground, and most of them in places where ground is peculiarly valuable, the rent paid for it must, on the average, be compensated in the values of all things made in factories."[1]

And again in the chapter entitled, " Summary of the Theory of Value " :

> " . . . when land capable of yielding rent in agriculture is applied to some other purpose, the rent which it would have yielded is an element in the cost of production of the commodity which it is employed to produce."[2]

The important thing in these quotations is that there is a *competing use for the land* and that because it is valuable for one use that rental becomes a necessary expense for whatever commodity it furnishes.

Mill's treatment of these questions has considerable significance for the findings of the present study. It indicates that the interpretation of the Ricardian hypotheses put forward in the preceding section is correct. Mill gives no indication that the conclusion that rent " is an element in the cost of production " in the one case is out of harmony with the other conclusion that it is not such for agricultural produce as a whole. Mill learned the Ricardian theory from those who constructed it and used it for half a century before he finally laid his own *Principles* aside. Unless he realised that the Ricardian theory applied only to a particular set of conditions and with limitations, he would not (*a*) limit its application to agricultural produce, (*b*) explain " in what sense it is true that rent does not enter into the cost of production or affect the value of agricultural produce," (*c*) advise against the use of this statement, and (*d*) say that when another use takes land from agriculture, the agricultural rent is a cost of production for the commodity pro-

[1] *Principles*, bk. iii, ch. ii, sec. 6. [2] *Ibid.*, bk. iii, ch. vi, sec. 9.

duced. The only reasonable explanation of Mill's position is that he knew the hypotheses to be different. Mill was an accomplished logician and it is unbelievable that he, a life-long supporter of the Ricardian position, would publish in the same chapters in which he upheld that theory another theory which, *on the same hypotheses*, upheld the opposite. We have shown that the hypotheses were different and it appears clear that Mill recognised them to be so.

This throws useful light upon what the Ricardian hypothesis really was. There is no question about what Mill's hypothesis is when he concludes that rent is a necessary expense of producing a given commodity. It is that " land capable of yielding rent in agriculture is applied to some other purpose." Now if the rent which land can earn from agricultural produce is a necessary expense of production for another commodity, the rent which it could earn from another commodity is a necessary expense of production for agricultural produce. But this is contrary to both Ricardo's and Mill's conclusions. So also the rent which one kind of agricultural produce would pay is an expense of production for whatever other kind takes possession of the land. Both Mill and Ricardo agree to this. The only possible explanation seems to be that in the case of agricultural produce they supposed that there was no competing use.

Mill discusses rent and price from the two points of view which we have found in Smith's treatment and reaches Smith's conclusions. He agrees with the Ricardians for agricultural produce as a whole, but reaches the opposite conclusion for special commodities competing for the same land. He shows that there were two separate problems with separate hypotheses and that this caused the answers to be different.

VI

Jevons represents the further development of those influences which were apparent in Mill. He lived under different conditions and was interested in a different aspect of economic study. After a thirty-year campaign the corn-law question had been solved and almost forgotten before Jevons reached mature age. The commanding problem of landlord versus urban incomes had passed from the stage. What was more serious, it was practically impossible for Jevons to appreciate the presuppositions with which Ricardo, even Mill, had treated rent and price. Jevons was not concerned with the problem which chiefly concerned men in Ricardo's time, the practical distribution of the annual produce

among the different " classes " of the community. He was rather interested in the problem which had first moved Smith and which Mill believed himself to have solved, a theory of exchange.[1] For his purpose,

> " . . . that able but wrong-headed man, David Ricardo, shunted the car of economic science on to a wrong line—a line, however, on which it was further urged towards confusion by his equally able and wrong-headed admirer, John Stuart Mill."[2]

For Ricardo, and for the Ricardian part of Mill's discussion, the problem of rent had been the relation of rural rent payments to the prosperity of the urban classes. For Jevons it was the relation of *any* rent payment to the supply and price of a particular commodity to whomsoever might buy it. He did not centre his treatment upon the " produce of farms " and the income of the landlord class, but upon particular commodities and the amount which any one of them must pay in order to hold a given parcel of ground from other uses.

Unfortunately Jevons left no elaborate treatment of this question and his theory must be taken from a very few statements. He doesn't even consider a case in which there is no competing use for the land. Like Smith, he supposes that there are various competing uses and that any piece of land will be withdrawn from any use which does not pay the competitive rental. To Jevons, Mill's exceptional case in which land capable of yielding a rent in one use is applied to another " proves to be the rule," and he says that the same principle must apply between different modes of " agricultural employment." In fact, he was so far removed from the practical contest which presented Ricardo's problem, that he failed to realise its existence. He says :

> " The principle which emerges is that each portion of land should be applied to that culture or use which yields the largest total of utility, as measured by the value of the produce ; if otherwise applied, there will be a loss."

And again :

> "A potato field should pay as well as a clover field and a clover field as well as a turnip field ; and so on."[3]

This is the same analysis which Smith gave when dealing with the supplies and prices of particular commodities. It differs from

[1] Jevons, *Theory of Political Economy*, p. 75 ; Mill, *Principles*, bk. iii, ch. i, sec. 1.
[2] *Theory of Political Economy*, 4th ed., preface, p. 1.
[3] *Theory of Political Economy*, preface, pp. xlviii-xlix

the Ricardian analysis in that it brings in another type of shifting. While Ricardo spoke of the shifting of labour and capital between raw produce and manufactures, Jevons adds the shifting of land between different kinds of produce, and insists that this is the rule. He is concerned with the supply not of "raw produce," but of potatoes, of clover and of turnips. And he takes for granted what the Ricardians did not, that the land had a competing use.

Jevons's treatment bears out the claim of this paper, that two different problems with separate hypotheses have been confused in the treatment of rent and price. He discussed it from the point of view of exchange, and hence of competing products, and reached the same conclusions which had been reached by Smith and Mill before him.

VII

Having seen that two problems have been confused, let us now see how this affects the equilibrium theory. The essence of that theory is that *no expenses determine prices*, but that prices of products and rewards of productive agents are *mutually* determining. As Marshall says:

> "The amount of the thing and its price, the amounts of the several factors or agents of production used in making it and their prices . . . all these elements mutually govern one another. . . ."[1]

As in the balancing of any forces, the essential thing is the maintenance of equilibrium. A change in either requires a corresponding change in the other.

This equilibrium of commodity-prices and agent-rewards is secured by effecting changes in supplies of the different commodities through the shifting of agents from those uses which pay less to others which pay more. And since expenses and prices are thus kept in equilibrium, all that the theorist can do is to *understand* the machinery by which this equilibrium is maintained and explain it. To quote Marshall again:

> ". . . we must go to the margin to study the action of those forces which govern the value of the whole . . ."[2]

And again:

> "We must do so simply because it is only at the margin that any of those shiftings can occur by which changed relations of supply and demand manifest themselves."[3]

[1] *Principles*, 7th ed., p. 526. [2] *Ibid.*, p. 410 [3] *Ibid.*, p. 522.

Whenever agents shift from one product to another, the supply of the first is being reduced and of the second increased. This ought to bring a slight change in prices and rewards, and thus result in a new equilibrium. It is the business of the value theorist to know (*a*) what agents shift in search of higher returns and (*b*) where this shifting takes place.[1] For our particular problem we are to ask (*a*) whether land is passive in both our problems, or whether it shifts in search of the highest possible returns and therefore aids in adjusting supplies of goods in the market, and (*b*) if it shifts just where this occurs.

In this discussion we shall confine ourselves mainly to our second problem, i.e. to the relation of rent-payment or non-payment to the prices of particular commodities, taking for granted that there are competing uses. This is done because it is believed that with the hypotheses which we have established for the Ricardian theory, no one will seriously question its findings. By hypothesis the land in that problem has no competing use, so it does not shift in search of higher returns. And the Ricardian findings as to the places from which non-land agents are ultimately withdrawn (shifted to manufacturers) is correct. They are withdrawn only from the extensive [2] and intensive margins, that is from land which is so poor as to be only barely worth using and from the last applications on the good land. In that problem labour and capital shift from raw-produce to manufactures and trade, and vice versa, in search of the highest possible returns; but since land has no alternative use, it is passive and remains in its one use regardless of whether rent is paid or not.

Let us now examine the case of particular commodities, accepting the hypothesis of Smith and Jevons that there are sharply competing uses for the land. Both the Ricardian margins are effective for some particular commodities, but not for all. The extensive margin is not effective for such commodities as do not

[1] The shifting of non-land agents at the extensive and intensive margins was the heart of the Ricardian analysis. Much has been said and written about land having no supply price, but not by the Ricardians. Their analysis is much closer to the "shifting" analysis developed further by Marshall. Ricardo says:

"I am only desirous of proving that the profits on agricultural capital cannot materially vary without occasioning a similar variation in the profits employed on manufactures and commerce." (*Influence of a Low Price of Corn on the Profits of Stock*, in Work, p. 372 n.)

[2] It is only when no-rent land is in use that there is an effective extensive margin. Otherwise we have merely another case of the intensive margin. There is no question of the land going out of use or of all the non-land agents shifting away, but only the shifting of the last or least productive applications of non-land agents. For a particular product it is quite possible that the product-changing margin, soon to be mentioned, be on the poorest land in use for the given commodity

allow of production on the frontier or other poor land: but for many commodities, such as wool, meat, wheat, there often are units which come from land which it only barely pays to utilize. On this margin, as we have already seen, land does not shift in search of better returns, so rent-payment or non-payment does not affect the supplies or prices of such commodities.

The intensive margin is effective for all particular commodities. Economical administration requires that when a given piece of land is devoted to a use it should have sufficient increments of labour, capital and managing ability applied to it, so that the last increments add to the product only enough to reward themselves at what they could earn elsewhere. The units gotten by these applications are "on the margin of not being produced at all" because those agents are always "on the margin of doubt" whether to remain or to go. If the relative price of the commodity is expected to be lower, they will go and it will not be produced at all. The only difference between this case and that for raw produce as a whole is that here the non-land factors may shift to the extensive or intensive margin on other land for another particular product, for instance, another kind of agricultural produce, while there they shift between the two margins for raw produce and manufactures.

But there is also a third margin where units of the supply of a particular commodity are on the margin of not being produced at all because *land* shifts whenever it has a chance, other things being equal, of getting a better return. This margin is best called the "*product-changing margin*" and is made up of all those pieces of land on the margin of doubt whether it is better to continue producing that particular commodity or to change to another product.[1] For "raw produce as a whole," there being no competing

[1] I use the same terminology which I developed in my teaching some years ago and first published in the *Mita Gakkai*, Tokyo, for March, 1921. The same idea of a unified land-shifting margin is presented by Henderson in his *Supply and Demand*, ch. vi, sec. 4, Cambridge University Press, 1922, under the name "Margin of Transference," which may be the neater term.

Considerable attention had been given to the matter of alternative rents by a number of writers, particularly by Davenport and Cassel, but I do not know that the margins had been so definitely reduced to three, adding to the two developed by the Ricardians, and on which non-land agents shift, a third on which land shifts. Professor Marshall separated the problem of rent and price into two, but, as we shall see (below, p. 42 n. 2), he did not apply his theory fully to one of them. Professor Davenport has made much clear but it appears that he did not separate the problem into two or reduce all places where land was on the margin of shifting away from a given commodity, to whatever use, to one unified margin. As for the former, he supposes Ricardo to be dealing with particularly commodities, saying that, "to command a rental for corn a rental possible from some other product must be refused" (*Value and Distribution*, p. 28). And as for the latter, instead of reducing these margins to three, he says they are "legion." (*Economics*

use for the land, there are only two margins and on them only non-land agents shift. For a particular product, there being competing uses for the land, there are three margins, two of which are the same extensive and intensive margins, and another, the product-changing margin marked by the shifting of non-land agents *and land*. The whole produce from these areas is " on the margin of not being produced at all " because all the factors employed, land, labour, capital and managing ability, are about to change. This is a very considerable area and is the one commonly most effective. Most changes in supplies of products come about through land shifting. It is not easy to detect that fields are worked more or less intensively or that no-rent land goes out of cultivation and returns ; but it is easy to see that when the price of cotton bids fair to be high in relation to maize, much land goes tocotton, and vice versa. This is the same for rural and urban land. Both types are commonly useful for any one of several different commodities and they are shifted towards the most remunerative of these. This shifting has been obscured by the fact that land is not " moveable " property : but this does not hinder it from contributing to a variety of different utilities.[1] While its range is often not so great, it changes as readily as labour or capital. Much of capital goods is highly specialised, viz., a cotton gin, a cigarette-making machine, a bleaching factory, etc., and labourers find it more and more difficult to change occupations as they grow older. Land in a city may be used for groceries, drugs, dry-goods or banking. At least there is a wide fringe of land in most cities which may be so utilised. Localisation and other influences interfere with this, but perhaps not more than these and other forces hinder the ready shifting of capital and labour. Rural land may go to cotton, maize, hay, potatoes, meat, etc.

Rent discussions have been so dominated by the Ricardian analysis of the case of raw produce as a whole, in which land could

of Enterprise, p. 80). This difference from the theory here presented as polytheism differs from trinitarianism.

In an article in the *American Economic Review* for June, 1927, H. Gordon Hayes presents this unified third margin analysis (under Henderson's terminology) as a substitute for the Ricardian theory. This appears to involve a misinterpretation of the Ricardian analysis. As shown above, it dealt with raw produce as a whole, the land having only one use. Hence there was no place in it for a land-shifting margin.

[1] This is not to deny that there are exceptional cases in which land is so peculiarly fitted by nature for one product, such as grapes, that it has no practical alternative and will produce that commodity almost regardless of its price and the consequent rental. But this is an exceptional case, as is that of a labourer, " marked out from birth for a particular occupation," and should be so treated. In such a case an agent may be forced to accept a very small return (for instance, grape-land in a world gone prohibition) or it may get very much, a monopoly rent.

not shift to another use, that it may be well to elucidate this point more. It is peculiar that in spite of the place which the shifting of land has had in well-established theory, it has not been made a corner-stone of rent theory. Professor Marshall makes it a central thing in his general theory but not in his explanation of rent. He says :

> " Every agent of production, land, machinery, skilled labour, unskilled labour, etc., tends to be applied in production as far as it profitably can be . . . and equality is maintained between its values for each use by the constant tendency to shift it from uses in which its services are of less value to others in which they are of greater value. . . ."[1]

And again :

> " . . . each crop strives against others for the possession of the land ; and if any one crop shows signs of being more remunerative than before relatively to others, the cultivators will devote more of their land and resources to it."[2]

The earnings of land are equalised in various uses and it shifts for higher returns just as non-land agents do and with the same effects for supplies of particular commodities.[3]

[1] *Principles*, 7th ed., pp. 521-522.

[2] *Ibid.*, p. 435. In spite of this clear statement of the very conditions upon which the product-changing margin rests, Marshall fails to state that the whole produce from these places is marginal because of the shifting of land. Marshall makes a great advance in that he recognises the existence of the two problems : but he wholly fails to get away from the Ricardian hypothesis when treating of the case of competing commodities. He uses the same idea of equilibrium, ignoring the shifting of land, which he had applied in the Ricardian problem, saying (p. 435) :

> " . . . in equilibrium, oats and hops and every other crop will yield the same net return to that outlay of capital and labour which the cultivator is just induced to apply."

To be in harmony with his general theory this should contain the further truth that all these crops will also yield the same net return to that outlay of *land* which the cultivator is just induced to apply. His entire treatment proceeds on this partial idea of equilibrium. Instead of an example in which the person in control of land is " in doubt " as to what use to put his land to we have him able to get 50 per cent. more in one use than in any other. He says (p. 436 n.) :

> " If, for instance, he reckoned that he could get a surplus of £30 above expenses (other than rent) . . . by growing hops and a surplus of only £20 above similar expenses by growing any other crop, it could not be truly said that the rent which the field could be made to yield by growing other crops entered into the marginal price of oats."

If the rentals were actually about the same in both cases this would be a fair example. If so it surely could be said that this was a place at which hops were on the margin of not being produced at all : these hops were marginal : and that the rental was a necessary expense of their production. Failure to use his theory of land-shifting and earning equalisation caused Marshall to overlook the product-changing margin where units of a particular commodity are on the margin of not being produced at all because land is on the margin of shifting to another use for better rental. He failed to show the whole machinery by which equilibrium is maintained.

[3] These particular rentals cannot be disregarded in any intelligent administration of land. It is just as essential to shift land to its best paying uses as it is

This margin is as easily discovered in practice as it is in theory. Every agricultural community shows numerous pieces of good land on the margin of doubt in every production period. Urban communities have the same. Often a whole district gradually goes over to another use because of changing circumstances. This margin is as real and as easily discovered as either of the margins developed by the Ricardians.[1]

It frequently happens, especially in these days of Tariff Commissions, that an estimate of the marginal expenses of production of a given goods is required. Now it is a very difficult matter to locate a proper piece of no-rent land and determine what amount of other expenses is required to produce so much upon it. It is even more difficult to measure the additional expense of producing

to shift labour or capital to theirs. (See Henderson's *Supply and Demand*, ch. vi, sec. 5.)

It should be noted, too, that a tax on the rent paid by a particular commodity will cause land to be shifted to other uses, thus reducing its supply and raising its price. Ricardo selected the only commodity which " the land " as he saw it could produce and stated correctly that it would be produced even if the rent were taxed away. But if rent-payment or non-payment has no effect upon the prices of particular commodities, it ought to be possible to tax it away from one while leaving it alone for another without affecting their relative prices. It is clear that the result differs in this case because the land has a competing use.

[1] A few readers may feel that this good land cannot be " marginal." But for a particular commodity goodness or badness of land makes no difference upon its marginality. Marginal land for a given use is the land which will shift away from its use with the least fall in the price of its product : and it may be the poorest land in that use or the best land in the use—or any other land. The good labourers who leave motor-car building to work on aeroplanes are marginal for their industry because they are barely induced to stay by the reward offered and the motor cars they produce are on the margin of not being produced at all.

Making marginal land the poorest land seems to be the principal fault of the theory referred to on p. 123. Seager (*Principles*, pp. 234, 240) says :

" . . . the wheat farmer pays a marginal rent to cover what the poorest wheat land would be worth for grazing purposes. . . . Rent is thus composed usually of a differential and a marginal element. The differential element is an expense of production only to enterprisers using superior land for the given purpose, while the marginal element must be paid by all enterprisers engaged in the given branch of production and hence figures as an element in the normal expenses of production." (See also Seligman, *Principles*, 6th ed., pp. 377-378 ; J. A. Hobson, *The Industrial System*, pp. 94, 95, and *The Economics of Distribution*, pp. 120-121 ; Patten, *Theory of Dynamic Economics*, p. 58 ; Chapman, *Political Economy*, pp. 213-218, and *Outlines of Political Economy*, pp. 288 and 298 ; MacFarlane, *Value and Distribution*, pp. 130, 132.)

The strange thing about this theory is that instead of looking at the supply of wheat and asking which pieces of land are " on the margin " of leaving wheat production, thus affecting its supply, it brings in the " poorest wheat land," although the land pays a considerable rental. Of course there is no more likelihood that the poorest land in wheat will leave that product than that the best will do so ; and the best would affect the supply as much or more than the poorest. Marginal land for a particular use is not the poorest land, but the land whose alternative use becomes effective with the smallest fall in the price. In Ricardo's case the poorest land in use for raw produce had a particular significance ; but this was not *because* it was the poorest land in the use. That was a mere *incident* of the problem with which he dealt. Its importance depended upon the fact that the crop from the poorest land was *on the margin of not being produced at all*, because there *agents were shifting to other uses*.

a further one hundred bushels on the intensive margin. It is far simpler to select a good field which might produce equally well this or other commodities, estimate its competitive rental, and add the other expenses of working.

We have found that for the particular problem of the Ricardians, in which the land had no competing use, their analysis holds. Land does not shift in search of better returns and rent-payment or non-payment has no influence upon the supply or price of raw produce. For Smith's first problem, later discussed especially by Jevons, the case is different. Here the land has competing uses and it shifts from use to use in search of its best earnings just as other agents do. This shifting is followed by changes in supplies of various commodities, hence in changes in their marginal utilities and prices.

Two questions have been confused since the time of Adam Smith. Opponents have misunderstood each other, but the principal writers treated in this paper have been in the main correct for the problems which they discussed. The theories of Ricardo and Jevons are not antagonistic, but complementary; they arise from the application of the same *principle* to *two different questions*, and constitute together something like a complete theory of the subject.

The Argentine Refrigerated Meat Industry

By E. G. Jones

The importance of a meat supply for the people of this country in an age which is characterised by the slow and gradual exhaustion of the meat supplies of the world available for the purposes of international trade lends special interest to the position of British capital in the Argentine meat industry. The Argentine Republic is one of the few countries of the world which has a considerable export of meat of all varieties, for the United States has already become a beef-importing country. Thus in an age when the industrial populations of the world are making increasing demands on sources of meat supplies, the investment of British capital in the Argentine refrigerated meat trade, and in the Republic generally, has a new significance. This view of the relation of the world demand to world meat resources may seem unduly pessimistic, but it is the conclusion reached by Shanahan from a detailed study of the available and potential sources of meat supplies.[1]

Cattle and sheep rearing in the Argentine Republic dates back to the earliest stages of its history ; in fact, to the sixteenth century, when the Spaniards first settled in the River Plate provinces. So peculiarly adapted to cattle rearing did the soil and climate of the country prove, that the slender stocks imported by the Spanish pioneers became the progenitors of herds of both domestic and wild cattle that spread rapidly over the rich pasture lands of those parts of South America with a temperate climate. Cattle were so plentiful that they threatened to become a menace through sheer force of numbers. " They multiply so prodigiously," said a seventeenth century writer, " that the plains are covered with them . . . in such numbers that, were it not for the dogs that devour the calves and other tender animals, they would devastate the country." [2] But the period of the greatest development of the

[1] Shanahan, E. W., *Animal Foodstuffs.*

[2] Quoted by Raymond and Critchell. *History of the Frozen Meat Trade.* Azara also drew attention to the fecundity of the flocks and herds. " Horses were at

pastoral industry was the half-century from 1839 to 1880. In this period the country's total of sheep increased from 2,500,000 to 61,000,000. The increase in the numbers of horses and horned stock, though by no means commensurate with that of sheep, was also considerable, as the following estimates for 1864 and 1888 show :

Stock.	1864.	1888.
Horses	3,875,000	4,400,000
Cattle	10,215,000	22,870,000[1]
Sheep	23,111,000	70,450,000

At the same time, population increased very slowly, with the result that the stock fell in value. Until the rise of a market for Argentine wool, sheep especially were despised and neglected. The estancieros were not in the fortunate position of North American stock-raisers, for the Argentine Republic lacked what proved of immense importance in the agricultural development of the United States, namely, an extensive population on the Eastern shores engaged primarily in commerce and industry and dependent on the agricultural and pastoral supplies of the West. The United States farmers had, at their gates, a ready market for beef and pork, and an elaborate commercial organisation was built up to supply it, first from Cincinnati and later from Chicago. This was the American meat-packing industry. Later, this elaborate organisation extended its activities to Great Britain for the exploitation of an extensive market and to South America to secure supplies when the pressure of home demand began to reduce the United States beef surplus for export. But in the Argentine Republic the absence of a large demand militated against the rational exploitation of the country's meat supplies. Cattle, horses and sheep were slaughtered, more often than not, merely for their hides and fells, fat and tallow ; the superabundance of rich beef and mutton, despised by the aboriginal game-hunting tribes, being left to decay or to be preyed upon by wild

first so scarce," he wrote, " that Domingo Martinez de Yrala in 1551 purchased a dark-coloured horse with a white streak on his forehead, of Alonso Parejo, for the sum of 4,000 golden pesos . . . payable from the first goods the conquest should produce ; and Captain Melfo de Chaves guaranteed the payment, as appears from a written agreement I have seen in the archives of Assumption ; but in 1557 when the aforesaid Yrala died, there were already 24 head of cavalry. They are now so common that even the poorest day-labourer possesses several, and everything is done on horseback." . . . " They say here with reason," he adds, " that this country is the hell of cows, the purgatory of horses and the paradise of asses and mares ; alluding to the incredible slaughter of the despised vaccine tribe, the hardships which the horses undergo, and the free and easy life of the asses and the mares, which roam about at large without anybody interfering with them." Azara, *The Natural History of the Quadrupeds of Paraguay and the River La Plata*, op. cit. pp. 19-20. [1] *Mulhall's Handbook*, p. 7.

beasts and carrion. The only outlet for this plethora of meat until the closing years of the eighteenth century was the limited trade in " tasajo," or dried beef, with the negro populations of Brazil and the West Indies.

About 1785 another outlet was found, when a beef-salting industry was started at Buenos Aires on the initiative of some British whalers. Shipments were soon made to the markets for "tasajo," and small quantities were exported to Europe. This trade developed very slowly, however, and even when it was at its height, it filled but an obscure place in the total of Argentine exports. This may be seen from the statistics of meat of all kinds exported in the period 1876 to 1890:

MEAT OF ALL KINDS EXPORTED (TONS)

Years.	Beef.	Mutton.	Total.	Value $ gold.
1876-80	32,300	—	32,300	2,800,000
1881-85	24,100	650	24,750	3,300,000
1886-90	34,400	14,800	49,200	4,900,000

The obscure position of the Argentine meat industry was to be attributed mainly to two factors. The first was the limitation of the market for meat to Great Britain. Down to 1875, and in most countries to the close of the nineteenth century, the demand for foreign meat products was negligible over the world in general. Until that date the concentration of population was nowhere so marked as in Great Britain. Continental countries had larger areas available for food production, and their consumption of animal foodstuffs was less per head than in Great Britain. In fact, the continental countries, notably Germany and the Netherlands, had surplus meat products for exports, for which Great Britain was the most extensive market.[1]

The second factor was the concentration of the export of animal foodstuffs from the New World in the meat-exporting houses of the United States. Cattle on the hoof and salted pork were shipped to Great Britain from North America as early as 1868, and the invention of refrigeration as a means of preserving raw meat a decade later enabled the American meat packers to benefit appreciably from their economic environment " which made possible a large consignment trade in meat within the borders of the country itself."[2] Until, therefore, changes occurred to bring about a new disposition of the world's meat trade, there seemed small hope of the Argentine meat trade attaining any large measure of importance.

[1] Shanahan, *Animal Foodstuffs*, p. 11.

[2] *Report on the Trade in Refrigerated Beef, Mutton and Lamb.* Ministry of Agriculture and Fisheries Publication. 1925.

In spite of these adverse factors, a great deal was done to develop trade in meat provisions between Great Britain and the Argentine Republic. The fear that increasing population was encroaching on the native sources of food supply, and that the outbreak of cattle plague in Europe would endanger the meat supplies of Great Britain, led to attempts to exploit the seemingly inexhaustible sources of animal foodstuffs, in South America and Australasia. The British Consul-General in the Argentine wrote that " at a time when the ravages of a widely extended disease have proved so fatal to the cattle of Europe, and meat, by heightened prices has been raised beyond the reach of any but the rich, the feasibility of utilising the superabundance of meat produced in the rich pasture lands watered by the River Plate and its tributaries has become the subject of the greatest importance and one to which, within the last two years, the attention of scientific men has been directed."[1] But before such distant continents could become sources of meat supply for the British market, the invention of some means of preserving fresh meat for a considerable period of time and through variable temperatures was essential. The history of the attempts to discover such a process dates from the year 1843, when the Society of Arts gave its medal for attempts made in Australia to preserve meat for export. This history is heroic, if not romantic.

In the Argentine Republic, the attempts to invent a means of preserving meat in a fresh state were wisely sponsored by the Government. It offered a prize of £800, in the 'sixties, for the best method of preserving meat in a fresh condition. The samples forwarded for competition were opened on the first of October, 1866, in the presence of a jury. " The smell," it is said, " was in most cases very offensive, but of the thirty-five samples, there were half a dozen good, and one in particular, sent from Glasgow, is likely to take the prize."[2] The competition was not fully successful, but it stimulated interest in the problem. In the same period four other processes were patented. The first was that of Baron Liebig. " By this method," wrote a British Consul, " the nutritive qualities of the meat are extracted by pressure and evaporation and formed into a kind of paste, with which most excellent soup can be made, 128 basins of broth out of 1 lb. of concentrated meat; 33 lbs. of meat are reduced to a bulk of 1 lb.'s weight and placed in a tin

[1] *Accounts and Papers*, 1866, lxxi. In 1865, an awful attack of rinder-pest introduced by 331 cattle from Revel, landed at Hull, ravaged the herds and caused irreparable losses, 73,549 cattle being attacked in Great Britain. *Vide* Raymond and Critchell, *op. cit.*, appendix i, p. 404. Until this attack, Great Britain had been immune from foot and mouth disease.

[2] *The Times*, August 14th, 1866.

which will be sold in England at a price of 12s. 6d."[1] By the process of Dr. Morgan, " the cattle when killed are injected with a briny fluid, which effectually preserved the meat without destroying its juicy properties. It will be sold at fourpence a lb. in England." The two other methods are worthy of note. The Sloper Process was based " on the principle of the destruction of oxygen in the tins in which the meat is packed. The meat will present the appearance, and be as good to the taste as freshly killed butcher's meat, and will be sold in England at fourpence a lb." In 1866 *The Times* [2] drew attention " to another very ingenious invention which has been patented. This is by Dr. Redwood, Professor of Chymistry (*sic*) to the Pharmaceutical Society of London, and consists in the immersion of fresh meat in melted paraffin at a temperature of 240 degrees Fahrenheit. This preparation preserves all the nutritive qualities of the meat, and has likewise the advantage of rendering tin cases or any other expensive mode of packing unnecessary. The paraffin forms a coating which is entirely free from any unpleasant appearance, and which is removed by the immersion of the meat in hot water. One great objection, however, seems likely to prevail. The meat thus preserved, although agreeable to the taste, will not bear fresh cooking. It is fully cooked by the process itself and can therefore, it is apprehended, be used only in its existing cold state, in which for army, navy, or other stores or travelling purposes, it may probably prove of much value." Generally, all these attempts met with failure, and it was not until the invention of refrigeration that a method was found to provide " a cheap and wholesome food for the poorer classes of Europe."

The first to apply refrigeration successfully to the shipment of meat across the tropics was a French scientist and engineer, Charles Tellier, who, at the same period as Mort and Harrison were applying the refrigeration process to the shipment of Australian meat, devoted his energies to the discovery of some method of transporting River Plate beef in a fresh condition to Europe. In 1859 he invented an ammonia-absorption refrigerating machine, and in 1867 he produced an ammonia-compression refrigerating plant. His efforts did not meet with success until 1877, when the steamer *Frigorifique*, fitted with his plant, arrived at Rouen with meat which had been preserved for 110 days in a fresh condition. This was the first refrigerated meat cargo to be shipped through

[1] *Report on Methods Employed in the River Plate for Curing Meats for European Markets*, by F. C. Ford. Accounts and Papers, lxxi.

[2] *The Times*, September 7th, 1866. The first three methods are described in Ford's *Report*. The description of the other is taken from *The Times*.

the tropics. In the same year also, the steamer *Paraguay*, fitted with refrigerating machinery invented by Carré, successfully carried 5,500 carcases of mutton frozen " as hard as stone " from Buenos Aires to Marseilles. The novelty of the experiment secured a ready reception for the frozen meat in France, and the Jullien Company, which had been responsible for the *Paraguay* shipment, organised a second attempt on a larger scale in spite of the tariff and other difficulties. The project, however, was never realised and the new industry of meat freezing was abandoned by the French.[1] But full advantage of the invention was taken by the British, although the Jullien Company had been given a monopoly of the frozen meat trade for five years by the Argentine Government.[2]

For many years the frozen meat industry developed very slowly in the Argentine Republic. This was due, in the main, to the operation of the deterrent factors mentioned above, the position of the United States in the British meat trade and the absence of a demand for animal foodstuffs on the continent of Europe. It was not until increasing population threatened home supplies that high tariffs on meat imports were relaxed or abolished, for example, in the United States, Germany, France, Austria and Italy. There were also other reasons which impeded the rapid development of the industry. In the first place, the new commodity was not welcomed into the dietary of the British people. Inefficient handling of the product created a prejudice against frozen meat which still prevails in many quarters. This difficulty was only surmounted when the United States Packing Houses set up in this country elaborate commercial organisations which combined speed and cleanliness in marketing with extensive advertising of the new product.[3] Thus in the task of building up a market in Great Britain, United States producers were far in advance of the Argentine packers, for the first successful shipment of chilled beef was made in October, 1875, from New York by Thomas C. Eastman. It was this shipment which inaugurated the trade in chilled beef.[4] It is interesting to note that over 4,500,000 cwt. of frozen and chilled beef were imported into the United Kingdom from the United States before the inauguration of the Argentine trade with this country in 1884 with a shipment of 500 cwts.

In the second place, the attention of Argentine stock raisers was largely confined to trade in cattle on the hoof. From early colonial

[1] For a full account of the work of Tellier and Carré, *vide* Raymond and Critchell *op. cit.*, pp. 26-30.
[2] *United States Agricultural Yearbook*, 1913, p. 351.
[3] Putnam, *Supplying Britain's Meat*, p. 70.
[4] *Report on Trade in Refrigerated Beef, Mutton and Lamb*, p. 7.

days the main trading activities of the pastoralists had centred in the sale of mules and cattle to Chile and Peru in return mainly for foodstuffs. Subsequently this trade was extended to Paraguay and Southern Brazil. It did not attain very large dimensions, however, and pastoral exports were still largely confined to wool, hides, tallow, sheep skins and salted meat. But after 1890, Argentine exports of livestock began to compete with those of the United States and Canada for the British market. The cattle and sheep of best quality were exported to Great Britain, while the poorer qualities were sent across the borders to Chile, Brazil and Paraguay. The trade grew by leaps and bounds and restricted to some extent the activities of the three existing frigorificos. The growth of the livestock trade with Great Britain is reflected in the following statistics :

ARGENTINE LIVE STOCK EXPORTS TO GREAT BRITAIN

Year.	Cattle.	Sheep.	Year.	Cattle.	Sheep.
1889	19	not stated	1896	65,699	339,381
1890	653	22,075	1897	73,852	345,217
1891	4,180	20,911	1898	89,369	430,073
1892	3,499	14,558	1899	85,365	382,080
1893	6,882	22,365	1900	38,562	178,969
1894	9,533	73,446	1901-02	nil	nil
1895	39,495	308,094	1903	27,807	82,491[1]

But this trade was terminated in 1900 by the closing of English ports to Argentine stock, owing to the outbreak of foot and mouth disease in the Republic. The dislocations caused by the sudden cessation of trade, especially to Argentine salesmen and British " carcase butchers," led to strong petitions to Parliament for the re-opening of the ports to Argentine stock. These petitions were acceded to in 1903, but the discovery of the infection amongst the imported livestock of that year led to the re-enforcement of the Order issued in 1900 under the Contagious Diseases (Animals) Act, and it is extremely doubtful that Argentine livestock will ever reappear in British markets. But these legislative measures gave a great impetus to the activities of the frigorificos.

The exploitation of the flocks and herds of the Argentine on a profitable basis, both to the meat-exporting companies and the native stock-raiser, owes its genesis to the readiness with which British capitalists ventured capital in what was, at the outset, an uncertain and risky direction. In 1863 a company was formed in London with a capital of £500,000 to exploit the meat extract process of Baron Liebig. But the Argentine refrigerated meat industry proper dates from the formation of the River Plate Fresh Meat

[1] *Report on Combinations in the Meat Trade.* Cmd. 4,643. 1909. App. 1.

Company in London in 1882, with a capital of £450,000. The first commercial shipment of frozen meat, 7,500 frozen sheep, was made in 1883 by this company from its factory at Campana. Such was the modest beginnings of a trade which has reached such gigantic proportions in recent years. In the next year, a native company, La Compania Sansinena de Carnes Congeladas, with a capital of £900,000, was formed. These two companies were in undisputed possession of the modest trade until 1892, when another English meat company entered the field, the Las Palmas Produce Company, a branch of the English house of James Nelson and Co. This new company had a capital of £500,000. The founders of this company had built a freezing works at Zarate in 1887, but it was not until 1892 that the South American interests of James Nelson were consolidated in the Las Palmas Produce Company.

For the first decade of their existence, these new companies developed very slowly in the presence of the adverse factors outlined above, but in the closing years of the nineteenth century the tide set in their favour. A series of propitious events occurred, leading to a great expansion of the market for frozen meat. These factors were the embargo on Argentine livestock imports into Great Britain, drought in Australia which crippled exporters there, the war in South Africa which occasioned an abnormal demand for meat products, and the outbreak of labour troubles in Chicago and New York which diminished live and dead meat exports. The expansion of the industry is illustrated in the exports of meat to Great Britain in this period, viz. :

UNITED KINGDOM IMPORTS OF SOUTH AMERICAN FROZEN MEAT
(CWTS.)

1884	500	1891	14,485	1898	108,288
1885	930	1892	8,309	1899	150,368
1886	6,736	1893	35,383	1900	412,262
1887	270	1894	5,279	1901	771,929
1888	3,678	1895	23,384	1902	923,748
1889	8,665	1896	50,095		
1890	8,933	1897	84,673		

(These figures are for beef imports only). [1]

The prosperity of the industry was more apparent in the handsome profits made by the companies, ranging from 50 to 100 per cent. in the closing years of the century. Such prosperity, of course, attracted new companies, and a new era in the trade set in, culminating in the invasion of the United States companies in 1909.

By 1900 the frozen meat trade in South America had overcome its initial difficulties and had fully consolidated its position. Since that date, the harvest of the efforts of the early meat companies has been abundantly reaped, and the Argentine Republic has

[1] Raymond and Critchell, *op. cit.* App. xi.

grown to the position of the chief source of supply of animal foodstuffs in the world. This favourable position arose mainly from the complete change in the economy of world meat production. In the first decade of the present century, the centre of gravity of the meat trade shifted from Europe and North America to South America and Australasia. This was the result of the increasing pressure of population on means of subsistence. The change was most marked in the United States which had hitherto been the chief source of animal foodstuffs for export in the world. During the decade 1900 to 1910, the population of the United States increased by 21 per cent. It is safe to say that the amount of beef consumed per capita remained almost the same. So that with an increase of 21 per cent. in the demand for beef in the United States, and with a decrease of 18·5 per cent. of the cattle available for slaughter, a decline in the export of beef was inevitable. This decrease actually took place, the amount of beef exported from the United States, both as alive and dressed, pickled and canned, being but 2·45 lb. per head in 1910, while the corresponding total for 1900 was 9·37 lb.[1]

In Europe also, the growth of population in what were formerly surplus producing regions of animal foodstuffs have changed the whole complexion of affairs. Increased consumption of meat by the industrial populations of Europe have converted most of the countries of Europe into meat importing regions, Hungary, which has a regular surplus of animal foodstuffs for export to Austria and Germany, and Denmark, which supplies the British market in pork products, being now the only European country with an export surplus. So marked has been the change in the relation of European countries to food supplies that many of them, in recent years, have relaxed or abolished protective duties on meat imports.

These favouring factors left South America with no serious competitor in the frozen meat trade apart from Australasia. But the concentration of Argentine production on chilled beef since 1908 has tended to limit this competition to the trade in frozen mutton and lamb. But even in this sphere freight differences in the post-war period have given a definite advantage to the Argentine over Australia and New Zealand.[2] Argentine meat exports

[1] *United States Agricultural Yearbook*, 1911. Article "Production of Beef in the South."

[2] In 1921 the rate of freight on Argentine frozen meat all round was 1d. per lb., against the Australian rates of 1½d. for mutton and 1¾d. for lamb. This meant that the Argentine paid a lesser freight per bullock of 20s. 4d., of 2s. 7d. less per sheep, and 2s. less per lamb. "Before the war the difference in value between our beef and the South American article was negligible, but now it is something like £4 per bullock; so that in freight and the difference in value alone Australia starts

expanded enormously and new companies strove to secure a share of the profitable business. In 1902 two new companies were formed. The La Plata Cold Storage Company was founded in order to carry on a frozen meat export trade with South Africa, and the capital of £548,000 was supplied by British and South African investors. In 1907 this company, which was also known as the Imperial Cold Storage Company, having no longer any interest in the trade, was bought by Swift's of Chicago for £350,000. This purchase marked the beginning of a great revolution in the Argentine meat trade. The other company formed in 1902 was financed by Argentine investors, the La Blanca Cold Storage Company, Avellaneda, with a capital of £300,000. In 1908 the works were taken over by the American Beef Trust for £340,000. Another British company, the Smithfield and Argentine Company, with a capital of £200,000, was formed in 1903. The freezing establishment was situated at Zarate and work began early in 1905. The next company formed was financed entirely by local investors. This was the Frigorifico Argentino, with a capital of £250,000.

The activities of the seven existing companies, and the continued expansion of the market for animal foodstuffs ushered in a period of great prosperity for the Argentine stock-raiser. Raising pure bred stock for the frigorificos now became a very profitable occupation for pastoralists, and when the cut-throat competition of the American packing houses with the Anglo-Argentine companies set in, the stock-raising industry reached the height of its prosperity. The activity of the meat-packing industry in the first decade of the century is well reflected in the export statistics as below :

ARGENTINE BEEF EXPORTS, 1901-13

Year.	Quarters of Frozen Beef.	Quarters of Chilled Beef.
1901	479,372	24,919
1902	735,715	94,498
1903	877,342	142,542
1904	1,018,072	198,300
1905	1,533,745	426,002
1906	1,580,589	455,459
1907	1,403,835	849,613
1908	1,579,163	789,348
1909	1,615,888	1,071,474
1910	1,434,078	1,608,608
1911	1,693,494	2,131,791
1912	2,086,780	2,269,474
1913	1,102,938	2,989,805[1]

with a handicap of over £5 per head. When the huge and continuous turnover and the cheaper all-round costs in the freezing works are also taken into consideration, the initial disadvantage to Australia is overwhelming." Elder, "The Frozen Meat Export Industry of Australia," Cold Storage and Ice Association, *Proceedings*, 1921.

[1] From *United States Agricultural Yearbooks*, 1904, p. 276, and 1914, p. 582.

At the last date in the above table, the supremacy of the Argentine Republic as the premier source of the world's meat supply was indubitably secured. In that year the United States became an importer of Argentine beef, and concentrated her attention in the meat trade on the export of pork products.[1] But the exit of the United States from the trade in refrigerated beef was postponed by the extraordinary demands on her agricultural and pastoral resources occasioned by the war, and by the dislocation of Argentine meat shipments through the scarcity of tonnage. Even so, however, the aggregate export of Argentine frozen meat maintained its pre-war level. Although shipments of chilled beef fell to a fraction of those of 1913 and 1914, and although shipments of mutton fell off, the shipment of frozen beef increased enormously with the increasing demands of belligerents and neutrals, and with the more liberal provision of tonnage. These changes are brought out in the export statistics of the period, viz.:

ARGENTINE REFRIGERATED MEAT EXPORTS, 1914-19

Year.	Qrs. of Frozen Beef.	Qrs. of Chilled Beef.	Carcases of Mutton.
1914	1,155,597	3,244,721	2,737,954
1915	3,259,242	1,109,676	2,111,043
1916	4,672,004	816,335	2,010,391
1917	4,328,394	620,096	1,530,997
1918	6,215,397	21,002	1,610,155
1919	5,194,109	77,616	1,736,447[2]

The peak of the boom in the Argentine meat trade was reached in 1920. But with the restoration of the normal demand of consuming countries and the decline of purchasing power in general, there set in a severe depression which reached its height in 1922. From the collapse of the boom to the present day the Argentine meat and stock-raising industry has been depressed owing primarily to the competition of the American and British packing houses. This competition has aggravated the dislocations caused by the excessive speculation of the last years of the war. "Horned stock in the Argentine Republic," wrote the Buenos Aires correspondent to the *Economist*, "have dropped in value from $200 Argentine paper to $80-$100 between 1918 and 1923."[3] Nevertheless these adverse conditions have not been reflected in a fall of exports. On the contrary, the total of exports has increased, as may be seen from the following statistics:

[1] "The United States imported from the Argentine Republic from October, 1913, to September, 1914, inclusive, 154,000,000 lb. of beef and meat products, of which 140,000,000 lb. were refrigerated beef." *United States Yearbook*, 1914, p. 390. [2] *Consular Report*, 1919. [3] *Economist*, March 10th, 1923.

Year.	Qrs. of Frozen Beef.	Qrs. of Chilled Beef.	Carcases of Mutton.
1920	6,186,640	306,192	1,814,589
1921	4,853,481	1,406,934	2,853,463
1922	2,417,100	3,248,706	3,093,497
1923	2,568,034	4,235,802	3,527,630[1]

Since 1924 the position of the stock raiser has improved owing to a slight recovery of meat prices. Thus from the modest beginnings made by the shipment of 7,500 frozen sheep by the s.s. *Meath* from the Campana works of the River Plate Fresh Meat Co. Ltd., in 1883, has grown one of the largest industries connected with the preparation of food products.

British and American Competition

Among the most interesting features of the history of the Argentine meat trade has been the speedy growth of the American meat companies to a position of supremacy, amongst the frigorificos. The activities of the American meat-packing houses were investigated as early as 1890 on the charge that they were in restraint of trade. The charge was not clearly proved, however. Still, since that time they have ever been suspect of attempting to deprive the stock-raiser of a fair price for his stock, and of raising the prices of meat unduly. British select Parliamentary commissions of inquiry have constantly issued a warning that their activities should be carefully watched.[2] But in all the reports of the United States Federal Trade Commission and of British Select Committees, the onus of evidence has, of necessity, been against the meat companies owing to the nature of the terms of reference. Perhaps insufficient emphasis has been laid on the benefits, both to producer and consumer, following in the wake of the activities of the so-called meat trusts.

The first inquiry into combinations in the meat trade by a British Select Parliamentary Committee took place in 1909.[3] The gist of its conclusions is given in the following paragraph: "Broadly speaking, the outcome of these various investigations seems to be that in the United States, a combination does exist and has existed for two decades, in fact, if not in form, between Armour and Co., Swift and Co., Morris and Co., and the National Packing Company," but "the truth in our opinion is that owing to the number of persons interested, the diversity of their interests and other circumstances connected with the home meat and

[1] The export figures after 1923 are not given because they are enumerated in metric tons.

[2] Cmd. 4643—1909; Cmd. 456—1919; Cmd. 1057—1920; the Linlithgow Commission, and Cmd. 2390—1925.

[3] Cmd. 4643—1909.

frozen meat trades, any combination in regard to them would be extremely difficult to establish or maintain, and we are satisfied that no such combination exists or is likely to exist."[1] Nevertheless, the entry of the American Beef Trust into the Argentine meat trade raised a cry of alarm from both Argentine estancieros and British consumers. *The Times* quoted the *American Journal of Commerce* that the "Argentine in grain and cattle now constitutes a menace which it is easier to control through financial operations than to face as a competitor,"[2] and bemoaned that " the base of our food supply is steadily shifting, the supply itself is threatened and the cost is rising year by year, but people pay no attention so long as some persuasive orator can be found to flatter their prejudice by reciting the commonplace of an obsolete political economy."[3] But these expressions do not furnish a correct explanation of the migration of American meat-packing interests to the Argentine Republic. The cause is rather to be found in the need for new sources of supply, owing to the shrinkage of American animal foodstuffs available for export, than in the desire to crush British and Argentine competitors. After establishing themselves for some years in the Republic, however, they abandoned their original peaceful intentions, and resorted in 1911 to cut-throat competition with the other companies established in South America.

As we have already explained, the entry of the American meat packers into the Argentine meat industry was in 1907, when Swift and Company purchased the La Plata Cold Storage Company. In the next year, Swift, Armour and Morris acquired the La Blanca Company, but in 1911 Swift retired from this company, leaving it to the other two. These companies applied to the River Plate meat trade the thorough-going methods which had won them their position of supremacy in the United States. For some time, however, they did not resort to " jungle " methods of competition with the three companies already operating in the Argentine Republic. But with the growing expansion of the market for refrigerated meat, the American companies enlarged their works and soon entered on a campaign of aggressive competition. A warning to the British companies was sounded in a Consular Report for 1911. " British capitalists would do well to secure their legitimate share in the meat industry of this country before its resources become absorbed by American trusts. The United Kingdom has a good position to start from, being prominently

[1] Cmd. 4643-1909.

[2] *The Times*, September 23rd, 1909.

[3] *The Times*, November 9th, 1909.

represented by the River Plate Fresh Meat Company, while the Sansinena Company is in Argentine hands. These two companies should prove important factors in keeping "big ring" schemes in check, but it is confidently hoped that the United Kingdom will enter into the industry with renewed vigour, and aim at working it on up-to-date lines that have become indispensable to success in competing with the advanced methods characteristic of American enterprise."[1] But the danger did not seem imminent to the British and Argentine companies until it was too late to retrieve their position. Until November, 1911, there had been no agreement among the frigorificos to limit output on Kartel lines, although the British and Argentine companies had met in conference to discuss various matters concerning the trade.[2] But after a period of active competition which benefited all parties except the packing companies, because it was characterised by the forcing up of cattle prices in the Argentine and the depressing of meat prices in Great Britain, an agreement was reached which lasted until March, 1913. This agreement limited the production of each company according to a fixed quota. But at the end of February, 1913, the La Blanca Company (Armour and Morris) asked to have its share increased by one-half in consequence of the enlargement of its works; the other companies could only agree to a 10 per cent. increase, so the La Blanca Company refused to renew the agreement, and from April 5th began to increase its output.[3] The British and Argentine companies regarded this dispute as engineered and appealed to the Argentine Government to protect them from the alleged attempt of the American companies to obtain a monopoly of the production and exportation of refrigerated meat by the above methods. The Government, after considering all the evidence, came to the conclusion that there was no proof of an American attempt to form an illicit trust, and it refused to enforce the agreement limiting the production of each frigorifico. After fifteen months of struggle, the British companies were forced to accept a reduction, a very serious one, in the percentage of their trade. It was on the basis of this agreement that the British Government contracts were allocated in the war period. Further modifications were made in 1916 and 1918 to admit of the participation of Armour's new works at La Plata, and Morris's new works at Montevideo. The severity of the meat war in the pre-war period is illustrated from the fact that butchers in Smithfield in 1913 and 1914 could buy good chilled meat at 2½d. a lb. The trade war is

[1] *Report on the Commercial Position of the Argentine Republic*, 1911.
[2] Cmd. 4643—1909.
[3] *Economist*, July 19th, 1913.

well illustrated from the following figures of the percentage of trade held by the British, Argentine and American meat companies at various periods :

	No Limitation.		Conference.	
	1909.	1910.	January to Nov., 1911.	Dec., 1911, to March, 1913.
British Cos. ...	37·0%	33·9%	30·2%	32·5%
Argentine Cos. ...	27·7%	24·9%	25·1%	24·9%
American Cos. ...	35·3%	41·2%	44·7%	42·6%

	No Limitation.		Conference.	
	April, 1913, to June, 1914.	June, 1914, to July, 1916.	Aug., 1916, to May, 1918.	June, 1918, to April, 1919.
British Cos. ...	24·4%	26·4%	22·8%	34·6%
Argentine Cos. ...	17·6%	14·6%	10·1%	8·2%
American Cos. ...	58·0%	59·0%	67·1%	57·2%

In 1914 the British companies sought to stem the rout by amalgamation. Two of the British companies combined their interests, and Vestey Brothers built up the large combine known as the Union Cold Storage Company. But to make amends for this new move, the works of one of the Argentine companies was taken over by another American company—Wilson and Company. The position of the British company was further weakened by the outbreak of the war, for in the face of pressing needs the British and Argentine companies were unable to oppose the demands of the American companies for an increase in their percentages of the trade. But after 1916 the British companies were better placed owing to the increasing output of Vestey Brothers' new works at Zarate (opened in 1916 and not in the Conference), and of the Las Palmas works which was operated on British Government account after 1915. After the end of the war the competition between the American and other meat companies broke out afresh, but it did not reach the intensity of the pre-war period. In 1920 the American section withdrew from the Conference and produced on their own account. In 1920 the proportion of the trade in the hands of the British, Argentine and American companies was 22·1 per cent., 9·3 per cent and 68·1 per cent. respectively.[1] The expansion of the market for chilled and frozen meat and the necessity of collective freight agreements have deprived such competition of any purpose. Further, the large combine built up by Vestey Brothers in the post-war period has deprived the Americans of any hope of

[1] Collings, *Die Kapitalexpansion der Vereinigten Staaten in Lateinamerika.* Jena, 1927.

ultimate success.[1] But the rivalry between the companies continued to be intense. In 1924 and 1925 the quotas of the trade held by each of them were as follows :

	1924.	1925.
British Companies	30·93%	19·15%
American Companies	55·55%	65·98%
Argentine Companies	13·52%	14·87%[2]

Last year, the rivalry was brought to an end and the Conference was re-established.[3] Perhaps now the danger may be what is usually the logical consequence of a trade war, namely, a close agreement between all the Plate meat-packing companies. Should such an absolute monopoly be established, it is certain that the stock-raiser will be protected by the Argentine Government. The Royal Commission on Food Prices recommended that the Government should " exercise a continuous supervision of the South American meat importers, and for this purpose obtain regular information as to programmes of shipment costs and profits, and the inter-relations of the various companies trading between South America and this country."[4] In the main, however, it must be remembered that the competition between the American and the British meat companies has been productive of good results. The horned stock of the Republic has been improved by the introduction of the finest cattle breeds, and British consumers have been supplied with an important part of their meat supplies in the form of meat which is scarcely inferior in quality to the products of home-fed beasts and at a lower price.

British Investment in the Argentine Meat Industry

Most of the British capital invested in the Argentine meat industry is owned or controlled by the Union Cold Storage Company. From its humble beginnings in 1897 the Union Cold Storage Company has grown enormously in strength. The capitalisation of the Union Cold Storage Company is £12,758,217. How much of

[1] The development of the Union Cold Storage Company is interesting. When floated in 1897 with a share capital of £50,000, this undertaking possessed only one cold storage establishment. By 1912 it had branches in all the chief ports in this country and freezing works at the principal meat-producing centres abroad. The control of transport facilities being of vital importance, it purchased (from its own directors) in 1920, at a cost of £4,342,800, a fleet of fourteen refrigerated steamers of a gross deadweight capacity of over 140,000 tons. The process of integration was carried further in July, 1923 ; the Company acquired, at a cost of £4,000,000, all the ordinary shares of the chief meat importing companies in this country, apart from the American group. The American companies are handicapped by the monopolistic position of the Combine in regard to cold storage accommodation.

[2] Mcfall, *The World's Meat*, p. 563 f.

[3] I have been unable to secure the terms of the settlement arrived at.

[4] *Report* (Cmd. 2390), 1925, p. 119.

this represents investment in the Argentine is difficult to say, but the margin of error will not be great if we accept a provisional figure of £8,000,000. The company owns the share capital of the following companies: British and Argentine Meat Co. (incorporating James Nelson and Sons and the River Plate Fresh Meat Co.), Eastmans Ltd., Proprietors of Fletchers (owning W. and R. Fletcher) Ltd.,[1] Argenta Meat Co., British Beef Co., North Australian Meat Co., Lonsdale and Thompson and Co., John Layton and Co., Donald Cook and Son, Blackfriars and Carterage Co., Pure Ice Co. Ltd. In addition, it holds a controlling interest in the Blue Star Line of Meat Transports, which has a capital of £3,250,000.

The Union Cold Storage has paid 10 per cent. dividend annually on its Ordinary Stock for a quarter of a century.

The other British meat companies in the Argentine Republic are the Smithfield and Argentine Meat Co. Ltd., the English and Dutch Meat Co., registered in May, 1923; and the River Plate, British and Continental Meat Co., registered in January, 1925. Their combined capitals is £4,848,697. The first company has paid no dividend since 1920, when $3\frac{3}{4}$ per cent. was paid on its preference shares, and the other two companies are as yet but newly established.

In addition to the above frigorificos, are the meat extract companies of Bovril and Liebig's. The capitalisation of Liebig's Extract of Meat is £2,800,000. In addition to its properties in the Argentine this company owns lands and factories in Uruguay, Rhodesia and South-west Africa. It has paid good dividends on its ordinary stock.

SUMMARY OF BRITISH INVESTMENT IN THE ARGENTINE MEAT INDUSTRY

1. Union Cold Storage Co. Ltd.	£8,000,000
2. Blue Star Line	£3,250,000
3. The other frigorificos	£4,848,697
4. Liebig's Extract of Meat Co. Ltd.	£2,800,000
5. Argentine Estates of Bovril	£1,288,244
Total	£20,186,941

[1] The ordinary shares of this company (£100,000) and debenture shares of £250,000 are not held by the controlling company.

Personal Origins and Interrelations of the Houses of Parliament (since 1832)

By H. R. G. Greaves

The follower of Walpole who suddenly found himself at present-day Westminster would at first discover almost as much to astonish him within the precincts of the House, as he did in his smooth and speedy drive down Whitehall. But a closer study would soon convince him that there was much in the inner life of the Houses of Parliament with which he was quite familiar. Of course, such externals as the Speaker's mace, the placing of the Government benches, the terms of ceremony used, would be the same. But he would also recognise in the actual personnel of the House of Commons several of the elements he knew in his own day. And if he could persuade a few members that there was no danger in reposing confidence in a shade, he would probably learn that even some of the aims with which they entered the House were not strangely different from those of his own colleagues. In the first Parliament of George III there were 23 eldest sons of English peers; in the sixth Parliament of George V there were 14 heirs to peerages, while in the last Parliament of Queen Victoria there were 27. In 1761 there were elected 64 army officers actually on service, and of 30 admirals, 20 were or had been members. In 1928 there were 18 naval and army officers without other interests, but 68 who had served for varying periods in the forces in time of peace. At the same moment 90 members belonged to the legal profession without indication of another primary activity, while in 1761 it has been estimated that there were 36 practising barristers and four judges. In 1928 there were at least 105 merchants and industrialists, and there were about 50 merchants in 1761.[1] Nor need our eighteenth-century guest lack eighteenth-century methods of passing his leisure. It is interesting to read that Lord Chesterfield could not gather the opposition country gentlemen " for fox-hunting, gardening, planting, or indifference." And if present members are more conscientious in the pursuit of their

[1] L. B. Namier, *The Structure of Politics at the Accession of George III*, is the source of the above information relating to 1761.

duties there are still many of them who can write " M.F.H." after their names, and still more who have time " to cut a figure " in their county.

In any more detailed analysis of the origins of Parliament-men several difficulties have to be faced. Definitions are easy enough to make, but the classification of members must depend to a certain extent on the judgment of the investigator. The division into categories will bring into play his scale of values, and his estimation of the significance of certain facts cannot always coincide with that of his reader. Furthermore, he is severely limited by the incompleteness of material at his disposal. Members of Parliament are often men of no great fame. To discover facts about them must largely depend upon their willingness to supply information. And in many cases they show a surprising reluctance to do so. In the 1924 Parliament this reluctance is especially marked in questions of the parentage and education of Labour members, and the occupation of Conservatives. It has seemed best to indicate failure to specify in the following tables in order to place any other facts in due relief.

Any further definitions will be given in connection with the following tables, but it will be as well to give the chief ones at once. Eton and Harrow are separately specified. Other public schools are Cheltenham, Rugby, Repton, Charterhouse, Haileybury, Winchester, Westminster, and Marlborough, making ten in all. Such other noted schools as Stonyhurst and Bedford are not included. Secondly, an aristocrat is the son, brother, or nephew of a person who has inherited a title. Those taken as belonging to the legal profession are solicitors, and barristers who either quite evidently practise or give no indication of any other paid pursuit. Fourthly, in the case of occupation, an officer is anyone who has served as such in the regular army or navy in time of peace. In the parental specification, officers are men habitually called by an officer's title. Fifthly, the difference between an industrialist and a small trader is that the second is clearly indicated as a shopkeeper, small printer, etc., while the former is generally a director.

Parents of members are the subject of the first table. The first three Parliaments of the century are compared with the most recent Parliament, that elected in 1924, as it stood in 1928. Independent members have been excluded from this last, but Constitutionalists, who have provided the second member of the Government, have been included throughout among Conservatives. This fact, together with the creation of the Irish Free State, accounts for the drop of total membership from 670 to 610, and two seats

being vacant, the total has been taken at 608. This represents a drop of just under 10 per cent. of the old figures.

A noteworthy increase in the proportion of members who do not specify their parentage is a feature of Table I. This may perhaps show a quite admirable tendency to rely more on personal and less on ancestral merit, but it is hardly so admirable to the cold-blooded statistician. It does not seem to be confined to any one party, although the Conservatives show the most notable fall in specification. A comparison with Table VI indicates that the failure to specify has risen between 1905 and 1928, among Conservatives by 17 per cent., among Liberals by 3 per cent., while it has decreased with Labour by 6 per cent. This last figure, however, is not accurate for this purpose. The actual number of unspecified in 1928 among the Labour Party is 122, and the figure of 77 given in Table VI is arrived at by subtracting members who began work as labourers before the age of 14 and were educated at national schools. The figure of 122 is 79 per cent. of the whole party, 31 per cent. higher than the Conservatives, and an increase of 23 per cent. on 1905.

Line 11 of Table I should be qualified by reference to line 12. The different party constitution of the various Parliaments should be borne in mind throughout, and this is indicated by the Government majority on line 1.

TABLE I

PARENTAL OCCUPATION

	1900.	1905.	1909.	1928.
1. Govt. majority	UN. 130	UN. 102	LIB. 356	CON. 217
PARENTS OF MEMBERS:				
2. Aristocrats	149	139	107	91
3. Industry	47	53	33	28
4. Professions	38	43	28	32
5. Labourers, Farmers ...	16	22	41	59
6. Clergy	51	45	47	26
7. Parliament	63	70	71	11
8. Officers		30	23	49
9. Officials	33	10	14	7
10. Total of occupation specified	248	273	257	212
11. Landowners, J.P.s, D.L.s[1] ...	—	27	50	51
12. Aristocrats without specified occupation	—	103	71	47
13. Unspecified	—	267	292	298
Total. All members ...	670	670	670	608

[1] Landowners, justices of the peace, and lieutenants or deputy-lieutenants of counties.

The second table attempts to bring out the extent to which aristocratic birth and parental membership have gone with seats in the House of Commons. It contains two elements. The position at intervals of 32 years since the Reform Bill is indicated in the first four columns. The rest of the table is devoted to a closer examination of the most recent period. If taken in combination with the third and fourth columns, it will be seen that sons of aristocrats have steadily relaxed their hold on the first Chamber since the Parliament of 1895 to 1900. The ratio of seats held by them has contracted from 22 to 15 per cent., but even 15 per cent. remains a considerable proportion, and must greatly exceed the ratio of aristocratic to other families in the country. When we turn to members who are sons of previous members, the recent decrease is surprisingly large. In 1909 there were 11 per cent.; in 1928, only 2 per cent. But the absolute number would be increased if those peers who, at one time or another, were members of Parliament, had been included in the figures. During the whole of the century the drop in the share of the peerage appears even more marked. Heirs to peers, for example, have decreased in number from 63 to 14. Sons of peers have diminished to nearly a quarter of their 1833 figure. Sons of former members stand at about a seventh of their number in 1865. Although the material for 1833 is incomplete, the tendency towards a drop in the hereditary element seems to have been fairly steady in the whole period. While there were 246 members, or considerably more than a third of the whole House, who claimed close relationship with peers and baronets in 1833, their number had dropped to 91 in the most recent Parliament of this century.

In connection with this table it may be worth while to mention, in passing, two points which do not appear in it. In 1833 there

TABLE II

PARENTAGE OF MEMBERS

PARENTS WHO WERE:	1833.	1865.	1897.	1928.	1905.	1909.
Peers	122	104	51	34	51	39
Baronets	95	76	47	28	44	35
Peers and Baronets	217	180	98	62	95	74
Other Aristocrats	29	—	51	29	44	33
Aristocrats	246	—	149	91	139	107
Members of Parliament	—	80	63	11	70	71
Knights	—	24	16	20	16	14
Heirs to Peerages	63	40	27	14	—	—
Lords and Commoners	—	184	113	45	121	110

was a remarkably large banking element in the House. There were at least 33 members of banking families who held seats. Also, there was one professor of political economy. It is interesting to discover, secondly, that while 95 members were married to aristocrats in 1900, there were still 62 so married in 1928.

2. The origin of members can often be gathered by the educational facilities they enjoyed. Education figures have a further interest in that they show the influence of various institutions in moulding the minds of Britain's legislators. For a single school to have more than a sixth of the members in the national Chamber is a most remarkable fact. Yet this was true of the 1905 Parliament. A feature of Table III is the diminishing number of members who have had the advantage of a university education. The percentage who have been at Oxford, Cambridge, or one of the ten public schools has dropped from 51 in 1905 to 44 in 1928. 13 per cent. were educated at other British and foreign universities in 1900, and 11 per cent. in 1928, but in 1909, when the House was predominantly Liberal, 17 per cent. of the members had been at other universities. The tendency of these other universities to supply liberal thought is marked throughout, and perhaps the large Conservative proportion of the 1924 Parliament may account for this undesirable decrease. In spite of the change over from a Liberal majority of 356 to a Conservative majority of 210, the percentage of members educated either at a public school or at Oxford or Cambridge is still 44 in 1928, as it was in 1909. This again shows the tendency for public schools and the univer-

TABLE III

EDUCATION OF MEMBERS

	1900 (U.)	1905 (U.)	1909 (L.)	1928 (C.)
1. Eton	—	121	88	136
2. Harrow	—	44	26	
3. Other Public Schools ...	—	82	68	52
4. Public Schools	227	247	182	188
5. Oxford	—	142	115	114
6. Cambridge	—	108	91	76
7. Oxford and Cambridge ...	255	250	206	190
8. Other Universities	89	107	117	69
9. Unspecified	—	58	47	90
10. Neither at Oxford, Cam. nor at a Public School	—	271	329	250
11. At Ox., Cam. or P.S. ...	—	341	294	268
	670	670	670	608
12. National Schools	—	23	54	—

sities to lose representatives in a normal Parliament. The fact that the number drawn from public schools has actually risen between 1909 and 1928, while the net amount from public schools and the two universities has fallen, merely indicates that a greater number failed to go on from public school to Oxford or Cambridge in 1928 than in 1909. Throughout the table the surprising predominance of Eton and Harrow is very marked. In 1905 they accounted for almost a quarter of the House ; in 1928, 22 per cent.

3. Table IV is a comparison of members' occupations in the first and the most recent Parliaments of the century. Although occupational investigation has already been done in greater detail, such a comparison may also serve to throw a useful light on the origins of members. England claims that her classes are mixed, and interpenetrating, but changes take place only at the borderline, and professional and labouring families have in general a way of maintaining their old status. For this reason it is interesting to notice that professional members have increased by 5 per cent. from 1900 to 1928. Labourers have grown in number from 3 to 10 per cent. of the whole. The broad class of industry shows a fall from 28 to 19 per cent., but the number of directors has probably increased. If those who do not specify occupation are eliminated from the table, there is no need for percentages to appreciate the significance of the figures, for the total specified is almost exactly the same in both cases. The following table shows that 90 per cent. of those unspecified are Conservatives in 1928 :

TABLE IV

Occupation of Members

	1900.	1928.
Legal	145	90
Professional and Literary	54	122
Total in Professions	199	212
Industrialists	—	105
Small Trade	—	13
Industry	186	118
Officers	89	68
Trade Unionists	—	38
Labourers	21	59
Farmers	5	—
Civil Servants	3	9
Total	503	504
Unspecified	167	104
	670	608

This next table is also an occupational one, but it shares with Table VI an emphasis on party which is not without illuminating value. Line 4 shows an equal percentage of professional members in the two chief parties, while in line 7 it is seen that officers have a tendency to be Conservatives. Trade Unionists are the monopoly of the Labour party, and labourers almost so. Small traders, on the other hand, are almost equally divided between Government and Opposition. 61 per cent. of the Labour party are Trade Unionists, labourers, and civil servants.

TABLE V

OCCUPATIONS ACCORDING TO PARTY

1928

	Cons.	% of 415.	Lab.	% of 155.	Lib.	% of 38.
1. Legal	77	19	5	3	8	21
2. Professional	48	12	30	19	10	26
3. Literary	16	4	14	9	4	11
4. In Professions	141	32	49	32	22	58
5. Industry, large	95	23	2	1	8	21
6. Industry, small	6	1	4	3	3	8
7. Officers, Reg.	65	16	1	—	2	5
8. Trade Unionists... ...	—	—	38	25	—	—
9. Labourers	3	1	55	35	1	3
10. Civil Servants	8	2	1	—	1	3
11. Lines 8, 9, 10	11	3	94	61	2	5
12. Unspecified	91	22	9	6	4	11
13. Sons of Aristocrats ...	83	20	4	3	4	11
14. Sons of other Rentiers ...	27	7	—	—	2	5

4. With Table VI we have left occupation, and come to consider origin and education again, but this time with reference to party. Peers' sons still figure largely in the Conservative ranks, and a noteworthy fact is that a loss of seats to the Conservatives, such as took place between 1905 and 1909, seems to disturb their tenure rather less than that of other members in their party. In the Liberal party, where the number of aristocrats exceeds that of the Unionists in 1909 in number though not in proportion, aristocrats seem to increase rather more rapidly than others when the party regains its doubtful seats. Examination of Cabinets would bear out the inference from this. While aristocrats form the upper strata of the Conservative party, and are almost excluded from Labour, they form the lower strata among Liberals.

Farmers, it may be noted, have been included under the heading of labourers in this table. They figure largely among the Irish Nationalists, 18 of the 19 labourers specified on line 10 being tenant-farmers. In comparison of pre-war and post-war figures the disappearance of Irish Nationalists is a fact to be borne in mind. Although there were 83 in the 1909 Parliament, only one had been educated at an English public school, but 17 had been at other universities, chiefly Dublin. The Unionist majority at the General Election of 1895 was due entirely to English constituencies. In Ireland there were only 21 Unionists against 82 Home Rulers. This seems an interesting comment on the Versailles doctrine of self-determination. A further interesting comment on the popularity of the law might be made by investigating the number of members who had been in prison for their views. It is somewhat startling to learn that at least one of the gentlemen who sat at Westminster in 1905 described himself, not without pride, as having been " tried for high treason, and sentenced to be hanged, drawn and quartered."

TABLE VI

Parties : Origin and Education

	1905.			1909.				1928.		
	Un.	Lib.	Lab.	Un.	Lib.	Nat.	Lab.	Con.	Lib.	Lab.
Parents.										
1. Peers	46	5	—	27	12	—	—	32	1	1
2. Baronets...	31	13	—	10	23	2	—	24	1	3
3. Other Aristocrats ...	38	6	—	15	18	—	—	27	2	—
4. Aristocrats	115	24	—	52	53	2	—	83	4	4
5. Knights	11	5	—	4	10	—	—	16	3	1
6. M.P.s	43	27	—	19	46	6	—	10	—	1
7. Clergy	26	19	—	15	30	2	—	20	5	1
8. Professions	23	20	—	8	18	2	—	26	2	4
9. Industry	30	22	1	4	28	1	—	20	5	3
10. Labourers	1	18	3	—	8	19	14	1	—	58
11. Unspecified	120	142	5	54	154	44	40	200	21	77
Education.										
12. Eton and Harrow ...	144	21	—	67	47	—	—	128	4	4
13. Other Public Schools ...	63	19	—	21	46	1	—	49	1	2
14. Oxford, Cambridge ...	186	64	—	71	130	4	1	165	9	16
15. Other Univ.	40	67		19	80	17	1	47	7	15
16. National and Church Sch.	3	15	5	1	10	8	36	n.s.	n.s.	45
17. Pub. Schools or Ox., Cam.	256	85	—	92	187	14	1	240	10	18
Party totals in the House ...	386	275	9	157	379	83	51	415	38	155

II

The House of Lords

The steps of the ladder between earth and its social heaven were once clearly defined. They were trade, a fortune, the acquisition of an estate, a baronetcy, membership of Parliament, and finally a peerage. Some men had the advantage of being born near the middle of the scale, and for them to reach the height of an English peerage was a less tiring process. It was more likely to be accomplished in a single generation. But always the House of Commons has served as the most popular jumping-off ground for the ultimate haven of the ambitious. The election lampoon on Sir Gerard Vanneck, M.P. :

> " If to me for such service your votes you accord,
> I shall first be your member, and then be a lord,"[1]

was a true prophecy in his case, and might equally well be applied to many other members. The second part of this paper is an attempt to measure its applicability to the creation of peerages since the Reform Bill.

English peerages, however, have not been the only benefits attending on membership. Irish and Scottish creations have served as the next best thing. The eighteenth century House of Commons, moreover, was largely the happy hunting-ground " of greedy stock-holders and of indigent placemen."[2] Sinecures and pensions were the prize of the needy ; contracts were the reward of the city merchant, and advancement the recompense of the officer, who sought a seat in Parliament. Even the lawyer has found until this century that the House of Commons is a fitting preliminary to the Bench. If much of this has changed, the House still remains one of the nation's reservoirs of merit. Of the 64 members who quitted the House between 1906 and 1909, 47 died or resigned ; 10 passed to the House of Lords, 4 being by succession and 6 by elevation ; while 7 were appointed to paid positions under the Crown, 4 being made judges, and 1 an ambassador. Similarly, between 1895 and 1900 of a total of 85 removed, 63 died or resigned, 11 were appointed judges, and 2 became governors. There were 9 moves to the House of Lords, 4 by succession, and 5 by promotion. Other titles than peerages are also largely conferred upon members of Parliament. Of the 32 first baronets in the 1900 House only one had been made a baronet before entry, and the average waiting period was just ten years. At this time there were also 33 knights, of whom again only one had been

[1] Namier, *op. cit.*, p. 9. [2] *Ibid.*, p. 57.

honoured before obtaining a seat. With them the average waiting period was just under six years. The figures for 1928 show a considerable increase, due partly to honours conferred for war service. There were 173 titled members, 163 being in the Conservative party.[1] Of these 40 were first baronets and 90 knights. Of the former, six were honoured before sitting in the House, three for war service. Ten years was still the average period of Parliamentary service before the baronetcy was conferred. Twenty-five of the 90 knights were honoured before election, and of these 15 had been prominent for war service. The House of Commons, then, seems to maintain its position as an avenue to distinction.

The House of Lords has also been recruited from the lower House. Bishops are not considered in the following tables, but it is interesting to notice that they show even more markedly the influence of Oxford and Cambridge than do Conservative M.P.s. Twenty-six held seats at the end of 1928, 17 having been educated at Oxford, and 9 at Cambridge, while 16 had been at the best-known public schools. Party adherence is not always specified by bishops, but of 14 given in 1905, 11 were supporters of the Unionist Government, and 3 were in opposition.

The following tables refer only to peers who had seats in the second Chamber at the end of 1928. Peerages created before 1832 are excluded,[2] and also those which have since become extinct. Where an Irish or Scottish peer sits under a lower U.K. title,[3] such as the Marquess of Tweeddale, who sits as Baron Tweeddale, the title has not been counted, as the superior title generally dates from a pre-Reform Bill time, and so does not properly belong to the subject here treated.

In considering the services rendered by the first peer it is often found that he has been eminent in several stations and that it is impossible to determine for which in particular he received elevation. In such cases both or all his services are taken into account. This is the reason why in most cases in the following tables the total of services exceeds the number of peers created. Some peers figure twice, some even three times.

Definitions do not need much supplementing. Administrative applies only to governors and viceroys. Line 3 means service at Court. Statesmen are cabinet ministers. Philanthropists are chiefly chairmen of hospitals, who have given generously to charity.

[1] Privy Councillors are excluded.

[2] These number 277. With four princes, twenty-six bishops, and 433 recent creations, the total House stands at 740.

[3] There are twenty-six such peers of this period, who all sit as barons.

TABLE VII

PEERS: 1832-1928

Service.	Dukes.	Marquis.	Earls.	Viscounts.	Barons.	Total.
1. Administrative ...	—	6	5	8	19	38
2. Diplomatic ...	1	2	3	2	7	15
3. Court	—	—	1	3	11	15
4. Civil	—	—	—	—	9	9
5. Banking	—	—	1	2	14	17
6. Industrial ...	—	—	1	8	43	52
7. Judicial	—	—	2	4	29	35
8. As M.P.s... ...	—	1	24	37	173	235
9. As Statesmen ...	2	3	18	20	23	66
10. Military, Naval ...	—	—	6	5	11	22
11. County, Agric. ...	—	—	2	2	16	20
12. Scientific ...	—	—	—	—	5	5
13. Literary, Art ...	—	—	—	—	7	7
14. Philanthropic ...	—	—	—	—	7	7
15. Revivals, etc. ...	—	—	9	—	13	22
16. Total created[1] ...	3	11	48	58	313	433

Having examined the totals in Table VII, we can see the century divided into periods in Table VIII. The considerable increase in peerages conferred is a striking feature. The numbers have almost doubled in each of the last two periods. Peerages created in favour of men who have previously been members of Parliament have increased slightly from just below to something above half. No dukes have been created in the last period. Three marquessates and one earldom have been conferred on members of the royal family, but these are not included anywhere except in line 15. Line 14 is an addition to the previous table, showing those peerages which have been granted to members of Parliament who have never shown prominence outside Parliament and the Cabinet. This indicates that the proportion increased in the second period. The diminution during the last 32 years becomes less marked if the industrial peers, who are a quite new class, are subtracted in each period. Industry has increased its representatives from 3 to 49, and of these last 28 do not appear elsewhere on the table. Industry has caused a fall in the proportion of political peerages. But if it is not included in the total, the share of the lower house in the total creation of peers will be seen to have again increased, but slightly. By deducting industrial peerages which do not figure also among political, the ratio of 74 to 120 becomes 131 to 208. That is to say, the percentage of elevations from the House of Commons to the Lords, although it has only increased by 1, remains at 63, or over three-fifths of the whole.

[1] See line 29 *et seq*, p. 182.

TABLE VIII

Origin of Peerages

Service.	1833-64.						1865-96.						1897-28.					
	D.	M.	E.	V.	B.		D.	M.	E.	V.	B.		M.	E.	V.	B.		G.T.
1. Administrative	—	1	1	1	1	4	—	2	2	—	5	9	3	2	7	13	25	38
2. Diplomatic	1	1	2	—	—	4	—	—	1	—	2	3	1	—	2	5	8	15
3. Court	—	—	—	—	1	1	—	—	1	—	6	7	—	—	3	4	7	15
4. Civil...	—	—	—	—	—	—	—	—	—	—	2	2	—	—	—	7	7	9
5. Banking	—	—	—	—	1	1	—	—	1	—	4	5	—	—	2	9	11	17
6. Industrial	—	—	—	—	—	—	—	—	—	—	3	3	—	1	8	40	49	52
7. Judicial	—	—	—	—	4	4	—	—	1	—	5	6	—	1	4	20	25	35
8. As M.P.s	—	—	6	2	22	30	—	—	10	7	57	74	1	8	28	94	131	235
9. As Statesmen	—	1	4	1	5	11	2	1	6	5	7	21	1	8	14	11	34	66
10. Milit., Naval	—	—	1	3	3	7	—	—	—	—	1	1	—	5	2	7	14	22
11. County, Philanth.	—	—	1	—	5	6	—	—	1	—	6	7	—	—	2	12	14	27
12. Art, Lit., Science	—	—	—	—	2	2	—	—	—	—	5	5	—	—	—	5	5	12
13. Revivals, etc.	—	—	6	—	9	15	—	—	1	1	4	6	—	1	—	—	1	22
14. M.P.s without non-Parl service ...	—	—	5	1	13	19	—	—	8	7	40	55	—	6	18	52	76	150
15. Total created[1]	1	1	16	4	43	65	2	3	14	8	96	123	7	18	46	174	245	433

[1] See line 29 *et seq*, p. 182.

Some Contemporary Critics of Thomas Hobbes

By J. A. Thomas

The contemporary critics of Thomas Hobbes have received but scant attention from writers on the history of Political Thought in England. These cannot plead lack of material as their excuse; the *Leviathan* would excite comment in any age; in the golden age of English political writing it could never hope to escape criticism.

The supreme achievement of Hobbes was to lay hold of the weapon usually employed to defend a democratic theory of government, and to wield it in the interests of an unqualified, unrelieved, despotism. Contract means a bargain; a bargain implies some limitation upon the exercise of authority; hence, clearly, society which refers to contract as the source of its origin, must be a society whose life is controlled by a responsible power. Before the days of Hobbes it was in this light that political theorists usually interpreted the doctrine of the Social Contract.

In the *Leviathan*, however, we find this theory paraded as a justification for binding men with the chains of an unlimited authority. For, in the eyes of Hobbes, the one outstanding characteristic of human nature is its essential viciousness. As Edward Hyde, Earl of Clarendon, put it in "A Brief View and Survey of the Dangerous and Pernicious Errours to Church and State in Mr. Hobbes's Book entitled *Leviathan*"[1]: "Man only, created in the likeness of God Himself, is the only creature in the world, that out of the malignity of his own nature, and the base feare that is inseparable from it; is obliged for his own benefit, and for the defence of his own right, to worry and destroy all his kind, until they become yoaked by a Covenant and Contract that Mr. Hobbes hath provided for them."[2] Nor would the theory of natural equality found in the *Leviathan* stand the test of criticism. Indeed, ". . . . every man's experience will afford him abundance of examples in the number of his own acquaintances, in which, of those who have alwaies had equal advantages of Education, Conversation, Industry, and it may be of virtuous inclinations, it is

[1] Published at Oxford, 1676.

[2] Pp. 28-29.

easie to observe very different parts and faculties, etc., . . . which can proceed from no other cause, but the distinction that Nature herself made between them, in the distribution of those Faculties to the one with a more liberal hand, then to the other."[1] With this opinion William Lucy, Bishop of St. Davids,[2] concurs, maintaining that the most commonplace observations of everyday life contradict the fantastic imaginings of Hobbes. The first thing a child becomes conscious of is the love and authority of his mother; sailors stranded on an island are sufficiently under the control of a moral law to prevent them flying at each other's throats. In brief, men always have been subject to authority, for when the State has not exercised control God has inspired them to generous and kindly conduct.

It follows, therefore, that the Hobbist view of the State of Nature and of Natural Law is essentially false. Far from being a condition of war where life is " nasty, poor, brutish and short," the State of Nature is one of blissful happiness where men are inclined to virtue by a beneficent Law of Nature.[3] Any other interpretation is, indeed, unwarranted, for no other writer, either ancient or modern, can be quoted in support of the *Leviathan*.

In these particulars his critics have confined themselves to restoring to their original meaning concepts which Hobbes interpreted in a novel and unusual way. So far they would seem to agree that political authority derives its sanction from a contact between ruler and ruled. This, however, is not the case, for, one and all, they deny the historical validity of the compact theory. Children, urges J. Eachard,[4] are presumably in a State of Nature; but can they be regarded as capable of entering into a compact? The supposition is, of course, absurd. Are they, then, in a state of war —a war of each against all? But, further, a contract implies such legal documents as title deeds setting forth the terms of an agreement; let these, then, be produced. Clearly, the theory of Social Contract has no basis in historical fact. At no period of time did a State of Nature exist. Men have always been born subject to some superior power; before the State emerged to guide the political destinies of mankind the father ruled over his wife and children, for from the very earliest times the family has been a unit of social organisation.[5]

[1] Pp. 33-34.
[2] Vide *His Observations, censures and confutations of Notorious errours in Mr. Hobbes His Leviathan*, 1663.
[3] Vide *An Examination of the Political part of Mr. Hoobbs His Leviathan*, George Lawson, Rector of Moore, 1657.
[4] Vide his *Mr. Hobbes State of Nature considered*, 1672.
[5] Vide *The Creed of Mr. Hobbs examined*, Thomas Tenison, 1670.

But if political authority does not rest upon Contract, how are we to explain the origin of the State? Whence and how has it sprung into existence? In a small pamphlet, entitled *Observations on Mr. Hobbs Leviathan or His Artificial Man*,[1] Sir Robert Filmer returns his answers to these questions. As he is careful to point out in his Preface, Filmer does not intend joining issue with Hobbes on the question of the nature of political authority; he, indeed, agrees that no check ought to be imposed upon the absolute power of the ruler. Our critic, however, cannot agree that authority is acquired as a matter of contract. "I consent with him about the rights of exercising government, but I cannot agree to his means of acquiring it."[2] But even if a pre-political state be taken for granted, this need not entail an acceptance of the *Leviathan's* delineation of it. On the contrary, the State of Nature degenerates into a state of war only upon the hypothesis that "Natural" Society is afflicted by a shortage of food supplies. Such an assumption, Filmer maintains, is entirely unwarranted; indeed, ". . . . God was no such niggard in the creation." Therefore, it follows " . . . there being plenty of sustenance and roome for all men, there is no cause or use for warre till men be hindered in the preservation of life."[3]

But Filmer rejects the Contract Theory *in toto*, urging that political authority derives from God rather than from a mere agreement. In the beginning of things God created Adam, and to him He gave all authority, not over the fowls of the air and the creatures of the earth alone, but also over all his posterity —over his children as well as over Eve his wife. This authority was of the most absolute kind, and while Adam lived none other could claim to share it with him. Kings derive their right to govern from Adam; it follows, therefore, that their power must be as absolute as was his. The Earl of Clarendon, while agreeing with Filmer's account of the origin and nature of political authority, seeks to enlighten the gloom of the despotism which it implies. Whereas, he argues, in theory princes are possessed of unlimited authority, in practice it is conditioned by the need to win the goodwill of the governed. "These wise and wholesome reflexions prevailed with princes, for their own benefits to restrain themselves, to make their power less absolute, that it might be more useful, to give their subjects a property that should not be invaded, but in such cases, and with such and such circumstances, and a liberty that should not be restrained, but upon such terms as they could not but think reasonable."[4] Clearly, this concession of

[1] 1652. [2] Preface. [3] Pp. 2-3. [4] *Ibid.*, p. 71.

" rights " to the governed does not imply any encroachment upon the ruler's absolutism. Their nature is determined by considerations of expediency only; in essence they are not " rights," but, rather, privileges which a wise prince has voluntarily conferred upon his subjects.

Nor was the *Leviathan* less vulnerable to the onslaughts of the more radical seventeenth-century political pamphleteers. Its secular tone could not fail to give offence in an age which had not yet learnt to divorce political speculation from theology ; while its uncompromising advocacy of naked despotism was calculated to arouse the ire of those who saw in the execution of Charles I a vindication of the doctrine of " Natural Rights." But the *Leviathan* could, with equal justification, be quoted in support of the Cromwellian regime, and towards the end of the seventeenth century the Republic was not in very great favour. It is, then, with no surprise that we read the violent declamations of one John Whitehall, of the Inner Temple, Barrister-at-Law,[1] who accuses Hobbes of providing the Commonwealth with a philosophical justification. Except that it indicates the temper of the time Whitehall's pamphlet is otherwise undistinguished.

Indeed, for the radical criticism of the *Leviathan* one must peruse the pages of " *Leviathan* drawn out with a hook," written in 1653 by a certain Alex Rosse. The theory of Social Contract is essentially a democratic theory of politics, and the task of Rosse consisted in restoring the theory to its original meaning. " The will of the prince has the force of law," may be true ; still, the prince enjoys sovereign power " because the People confers upon him and into his hands all its own sovereignty and power." But the all-important question which arises in this connection is : Do the People confer absolute power upon the prince ? In other words : Is the authority of the State an authority which is beyond good and evil ; an authority, indeed, which, by its very nature, is irresponsible ? Rosse would have us believe that it is not. The sovereign people, he argues, would never commit the fatal error of bestowing arbitrary power upon the ruler. It would never alienate that which belongs to it to a degree which would place it at the mercy of individual caprice. In short, the authority of the prince is responsible in character ; he enjoys power as a trust delegated to him by the people, to be used for their own good. The sovereign, therefore, must be careful not to offend against the well-established usages, customs, and laws of his people. These,

[1] Vide his *The Leviathan found out ; or the answer to Mr. Hobbes Leviathan, in that which my Lord of Clarendon hath passed over*, 1679.

rather, should define the limits of his power; they should, also, provide him with an infallible guide in the task of governing his people. Our author identifies the positive law of the land with the "Lex Naturæ," that ideal standard to which every piece of legislation should conform. This Law of Nature guarantees the individual certain rights of which no authority ought to deprive him. One of the most valuable as well as the most cherished of these is the right to property; for, whereas Hobbes would deny the right of the subject to absolute possession, Rosse would urge that the individual possesses an inviolable claim to property, reserving, however, the sovereign's right of taxation in cases of national necessity.

Such then, in brief outline, is the reply which some of his contemporary critics returned to the uncompromising championship of political absolutism by Thomas Hobbes. Most, if not all of them are vastly inferior to the butt of their criticism. With, perhaps, the exception of Filmer and Rosse not one of them succeeded in outlining a theory of politics which is not vitiated by a confusion of thought. Filmer, indeed, ignores the theory of Social Contract altogether, urging that the prince, as the father of his people, ought to enjoy the same authority over them as the natural father exercises within his own family. The Earl of Clarendon, however, in agreement with Filmer touching the question of the nature of authority, disbelieving, moreover, the historicity of the Social Compact, sees fit to embark upon an elaborate and critical analysis of the concepts out of which the theory is built. Thus, he censures the Hobbist view of the Law of Nature, pointing out that other political thinkers, both ancient and modern, have delineated it in a way different from Hobbes. Further, by implication, our critic accepts the fundamental thesis of all the "Contract" theorists—he accepts the doctrine of "Natural Rights." On the one hand he argues in favour of Absolutism; on the other he admits that no government is, in practice, possessed of an unlimited authority. Thus, "There is no doubt that there are in all Governments many things done by and with the consent of the people, that without their consent and submission it must be dissolved . . . nor can any one man compel a million to do what they have no mind to do."[1]

Nor is the Earl of Clarendon the only critic guilty of this confusion of thought. William Lucy, for instance, ridicules the idea of a State of Nature; at the same time he accepts the idea of Natural Law which he identifies with the Decalogue. Similarly,

[1] *Ibid.*, p. 45

both Lawson and Tenison deny the historical validity of an Original Compact ; nevertheless, the one clings to a belief in the State of Nature, which he depicts as a state of bliss, the other adheres to the notion of Natural Law which he defines as a beneficent tendency persuading men to virtuous conduct. Alex Rosse, on the other hand, remained content with restoring the " Contract " theory to its usual meaning. He used it as a weapon to demolish a theory of Absolutism ; and because he frankly accepted it, in its entirety, he escaped that confusion of which the other critics under review are guilty.

A survey of these pamphlets written as a criticism of the *Leviathan* forces upon the reader the conviction that the fundamental cleavage between Hobbes and his critics is a difference in their views of human nature. Are men inherently good and moral, or are they, by their very nature, wicked and immoral? If the need for political authority springs from the inescapable vice of men, if indeed when unrestrained *homo hommi lupus*, then a case can be made out for despotism. If, on the other hand, the State of Nature is a pre-political rather than a pre-social state—if, that is to say, man falls easily and naturally into the habit of living with his fellows without being compelled to become a " social animal " by any authority external to himself—then, assuming that the purpose of the State is to secure social peace, the all-important need for unlimited State authority is not so obvious. In fact, if " Natural " man is, in essence, a creature born for society it is impossible to regard the State as ". . . . that Mortall God, to which wee owe under the Immortall God, our peace and defence."[1] Clearly, then, the State on this view becomes not so much an all urgent necessity as a convenience. Society is older than the State ; yet the State is necessary not so much to secure law and order as to provide an impartial definition of the individual's rights. For the pre-political state is deficient in this respect that it makes no provision for an arbitrator to decide points of dispute as they arise within society.[2] The end of the State, therefore, is to secure justice, and as it performs this task well or badly, so must it be judged.

All this is merely to insist that there are certain human rights with which no authority can be allowed to tamper. Is the State an end in itself, or is it a means of securing those liberties necessary for the development of the citizen's personality? It matters not that the doctrine of Social Contract and the theory of Natural

[1] Hobbes' *Leviathan*, p. 89, (Everyman Edition).
[2] Vide *The Creed of Mr. Hobbs examined*, Thomas Tenison, 1670.

Rights fail to bear the scrutiny of historical criticism. The political attitude which they symbolise is an attitude which has always differentiated the Liberal from the Authoritarian School of Political Thought.

Tobacco and Coal: A Note on the Economic History of Whitehaven

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Whitehaven is an example of the way in which wealth gained in the old colonial trade was used to aid the development of modern industries. A visitor to this rather drab town would be unlikely to suspect that in the seventeenth and eighteenth centuries it had been an active participant in the colonial trade, or that the early development of its coal mining industry and trade had been financed in part from the profits of the import and export of tobacco. Nor were the early accounts of it any more indicative of its later development. Dismissed in 1566 as consisting of " six fishermen's cabins and a ten ton vessel," it was later described as " nine or ten thatched cottages." In 1633, however, a letter from the King to the Lord Deputy, Dublin, describes the port as very commodiously situated for Ireland, and suitable for supplying it with coals, but that it was decayed and dangerous, and had been the cause of the wreck of many good ships. "A pier would cost 600*l.*, and as Dublin will profit by it, Dublin must pay for it by paying a small impost on coal, in addition to that already paid, the duty to stop when the sum is raised."[1]

The development of the town was a family affair. To the Lowther estates situated in Whitehaven were added the Manor of St. Bees, which had been mortgaged to one of the family in 1600, and Royal grants in 1666 and 1678, made presumably because the family had been Royalist. The grant of 1678 consisted of two miles of foreshore, declared by the Surveyor-General of Crown Lands to be " a shelving shore, nothing but rocks and sand and of little or no value as it can be computed at present." This grant was made in response to a plea that the inhabitants were refusing to pay reasonable tolls for shipping, loading, and unloading goods at Whitehaven Pier, erected by the Lowthers at their own charge, and that they were planning to build another pier, which would increase trade and the customs. The grants were maintained both

[1] *Cal. S.P. Irish*, 1633-47, p. 12.

against other claimants enjoying Royal favour, and the inhabitants of the town itself. The control over the district thus obtained was utilised by keen members of the family, Sir John Lowther (ob. 1705), and Sir James Lowther (ob. 1755), to plan a new part of the town,[1] to remove and rebuild the church, develop the harbour and work the coal mines.[2] It is said that these two spent £500,000 on these works, and that presently the family was drawing £16,000 from the pits and from rents. This activity led to the growth of the population from 2,300 in 1693 to 4,000 in 1715, and 16,400 in 1785.

Side by side with the development of the port facilities, trade with the colonies and other places grew. The Charter of the new Royal African Company, 1672, names two of the Lowthers as members. Captain Richard Senhouse bought a plot in 1685 and erected "Tangier House," a mansion and warehouses. The main traffic, however, was the import of tobacco and the export of miscellaneous wares. Some of the Port Books have survived, and although many are defective, enough of them are complete to give an intelligible picture of the trade. For so small a port this reached considerable dimensions. Its import of tobacco mainly from Virginia reached 1,639,193 lb. in 1712, and 4,419,218 lb. in 1739-40. The former may be compared with Davenant's figures of 28,000,000 lb. for England and Wales as a whole, and 20,000,000 for London alone in the years 1689-1709.[3] The advantage of the proximity to the Irish market noted by the King in his letter to the Lord Deputy, served Whitehaven in good stead, not only in coal, but also in the tobacco trade. Speaking of Ireland, Petty said that two-sevenths of a man's expenditure in food went in purchasing tobacco. In 1740, 1,296,942 lb. were exported to Ireland, of which 915,605 lb. went to Dublin. All the rest of tobacco exports in that year went to Holland. In the earlier year Ireland took a large proportion of the whole, and there were a number of shipments to widespread places, *e.g.* Madras, Leghorn, Newfoundland and Archangel. Most of the import trade was carried on by a few considerable merchants. In 1712, Thos. Lutwidge, a Presbyterian from Ireland, imported on his own account 200,654 lb. and jointly with others a further 180,500 lb.; R. Blacklock and J. Gale, jun., imported 216,803 lb. and 190,567 lb. respectively. The three were thus concerned in 37 per cent. of the total trade. By 1740 this concentration had increased, Thos. Lutwidge and the

[1] See plan of 1690, in *Cumberland and Westmorland Archæological Society Journal*, vol. iii.
[2] *Cal. S.P. Treasury*, 1676-9, p. 924.
[3] *Economic Journal* (Economic History, No. 1), p. 61.

partnership of How and Kelsick accounting for 2,096,033 lb., or nearly one half of the total import trade. The export trade was differently organised, persons who took no part in the import trade exporting small parcels to Ireland and Holland or taking shares in larger shipments.

Not all the profits of this rising trade were legitimate. The provision that tobacco should not be shipped to Ireland direct from the colonies must have tempted those Whitehaven merchants with Irish connections. Direct trade with Ireland under the pretence of shipwreck or contrary winds was not unknown, and Whitehaven captains were fined for this.[1] There were, however, other frauds. When the Glasgow tobacco lords began to undersell their English competitors, Whitehaven, Bristol and other merchants accused them of custom frauds. The Commons ordered an investigation, and the Treasury officer discovered that the accusers themselves were not guiltless. In 1719-20 Lutwidge had entered 241 hogsheads, totalling 145,242 lb., but exported coastwise 165,882 lb., the loss to the revenue being £436 6s. 5d.[2] A number of such surpluses of export are traceable in the port books, but there are not sufficient complete books of consecutive years to enable one to say definitely whether these are due to sale of stocks accumulated or to frauds of this kind. There were also charges that Whitehaven and other merchants sent tobacco to the Isle of Man "when the time for receiving the drawback is nigh and later ran it into the kingdom again."[3] They were further accused by the Glasgow merchants of illegal trade with the Orkneys and Western Isles of Scotland under cover of trade with Norway; and of clandestine reimportation of tobacco for Holland into the east and north of Scotland.[4]

After the Union the colonial trade of Whitehaven gradually declined under the pressure of Glasgow competition, and the activity of the colonial fleet was diverted to carrying tobacco for their rivals. The early ventures of Glasgow men were made in Whitehaven vessels, and in 1722 the officers of the port declared to the Commons Committee that most of the Glasgow trade was carried in Whitehaven ships, the Glasgow merchant paying ten shillings to twenty shillings per ton more in freight than those of Whitehaven. Answering the question as to how, in face of this disability, they could sell tobacco in Cumberland at a ½d. to 1¾d. cheaper than Whitehaven merchants, the Glasgow merchants

[1] Cd., *S.P. Treasury*, 1685, p. 317.
[2] *House of Commons Journal*, 1722, vol. xx, p. 106.
[3] *Cal. Journal of Commissioners of Trade.* Plantations. 1710. p. 168.
[4] *Treasury Papers*, 1722, ccxxxix, 2

replied that this was "no disadvantage, as the affairs of the trade are sufficient to employ merchants, though not encumbered with the concerns of navigation. It is no more an advantage to a foreign merchant to keep ships, than for an inland trader to keep pack horses."[1] The English merchants claimed that Glasgow's competitive power was based on fraud of the customs, particularly by short weighing, and in 1723 the Commons Committee reported against Glasgow in this respect. Nevertheless, the tobacco trade of Whitehaven passed to Glasgow, leaving Whitehaven dependent on its shipping services to its rival, and on its coal trade.

The short period of "colonial" prosperity contributed to the development of the coal trade and industry, although they were based on proximity to Ireland and on the enterprise of the Lowthers in developing the harbour, building the quays and providing the loading appliances necessary. The Cumberland coal measures dip west and north-west, passing under the sea on the coast between Whitehaven and Maryport. In the former place some of the seams crop out at the side of the valley, and would be easily discovered and worked for home use. Various histories of Cumberland state that production for sale began about 1620, and was developed by Sir John and Sir James Lowther. A 1611 Port Book, however, shows that there was already an export from Workington,[2] for in the half-year ending midsummer, 431 tons of coal were despatched in small consignments of 10 to 12 tons. These dates may be taken as fixing approximately the commencement of the trade which established Cumberland's firm hold on the Irish market, a position which it has held ever since, except in two or three years of recent depression. The following figures[3] give some indication of the growth of the Whitehaven trade:

1688	5,324	chaldrons.
1708	17,901	,,
1711	17,931	,,
1720	25,292	,,

The other parts of the coastal strip were developed in much the same way as Whitehaven, that is, by the enterprise and resources of the owners of the soil. This was true of Workington and Harrington, where the Curwen family[4] were the active agents. As early as 1662, Sir Patrick Curwen, writing in respect of the farming

[1] *S.P. Treasury*, 1722, ccxxxix, 2. [2] *Excheq. K.R. Port Books*, 1448 (1).
[3] *Excheq. K.R. Port Books*, 1449 (6), 1450 (15), 1456 (5).
[4] The Curwens had an insurance scheme for their workers. The colliers paid 3d. fortnightly to the steward, and for every £10 so raised, Curwen added £3. The benefit was 5s. per week for sick and disabled workers. Curwen "of his own bounty" paid the doctor.

of the customs, adds to his letter this postscript: " I shall also desire to farm the coal customs. It is only 8d. a ton, and all that is yielded is £60 a year : but as it may be used to divert trade from Whitehaven to Workington, I shall offer £50 a year for it."[1] Harrington was almost entirely owned by that family, and in 1794 it was exporting coal and some 2,000 tons of iron stone annually. Half a century earlier Harrington and Maryport had few houses and no ships. In 1781 the coal exports of these three ports together amounted to 66,960 chaldrons, as compared with 69,500 chaldrons for Whitehaven, while in 1792 the figures were 98,426 and 69,966 chaldrons respectively.

The wealth of the tobacco trade, which itself had risen on the port facilities provided for the Irish coal traffic, was turned back into the coal trade and industry. Whitehaven tobacco merchants presented a petition concerning the trade in 1705-6, and of the twenty-five signatures,[2] thirteen are of men who in 1711 are also engaged in coal exporting. Three others, Richard Senhouse, Peter Senhouse and C. Nicholson, appear as coal exporters in 1740. Another Senhouse was exporting in 1720. Capt. Richard Senhouse also commenced mining coal. Anthony Bacon, well known in connection with the Welsh iron trade, was at the age of thirty-five still a master of a vessel employed in the Whitehaven tobacco trade. Later he owned five pits at Workington, which shortly after his death were exporting one hundred tons a day. The Seaton ironworks, planned in 1763 by Thomas Spedding, of Whitehaven, were owned by the firm of Spedding, Hicks, Senhouse and Co. The connection of the Senhouses with the tobacco trade has already been noted. Both Hicks and one of the Speddings were exporting tobacco in 1740, the latter to Holland and Dublin.

[1] *Cal. S.P. Irish*, 1660-2, pp. 626-7.

[2] *C.O.5.*, 1315, No. 17.

The Story of an Elizabethan Monopoly, 1565-1823[1]

By A. H. Dodd

Since the days of Adam Smith, few voices have been raised in defence of the Tudor and Stuart monopolies. Cunningham, indeed, has something to say for the motives that inspired them, but only a half-regretful condemnation for their results.[2] Unwin and Marshall, more sceptical of the avowed objects, warn us to read with reserve the high pretensions of royal speeches, preambles and proclamations.[3] For a portrait of that "blood-sucking projector" the patentee, we have only to turn to Massinger's *Overreach*, and if we wish to judge the effects of the less sordid grants to respectable civic corporations, incidents like that of James Watt and the Glasgow Hammermen are always ready to hand. In the present paper an attempt will be made to tell the story of another of these civic monopolies—the exclusive privilege of buying and "finishing" Welsh cloth, conferred by Elizabeth on the Shrewsbury Drapers' Company, and still claimed by them, after it had been twice repealed by law, when the Age of Competition was in full cry. A study of the working of this monopoly will show, it is believed, that if much was gained by the substitution of open and competitive for exclusive and "well-ordered" trade, something too was lost even to those who clamoured loudest for freedom of competition.

It has been urged that, in fostering the revival of local monopoly, the Tudors were neutralising the movement towards national consolidation which is the chief glory of their age. "It would be impossible," says Unwin,[4] "to find a more instructive refutation of the prevalent fallacy that national unity has been mainly achieved by the strong hand of autocracy." Yet to make

[1] The substance of this article was delivered as a lecture to the Swansea Branch of the Historical Association on Friday, April 19th, 1929. I am indebted for several useful suggestions to Mr. R. H. Tawney. (*Author.*)

[2] *Growth of English Industry and Commerce: Modern Times*, Pt. I, pp. 285-8.

[3] Unwin, Introduction to G. W. Daniel's *Early English Cotton Industry* (1920), p. xxvi; Marshall, *Industry and Trade*, p. 722 (n.).

[4] *Industrial Organisation in the Sixteenth and Seventeenth Centuries*, p. 189.

the whole scheme a mere device for placating powerful interests would be to ignore the conception of a well-knit body politic which the Tudors never wearied of recalling to the minds of their subjects, and on which the Stuarts, with all the faltering inconsistency of their deeds, at least believed themselves to be acting. The point is clearly put in those youthful jottings of King Edward VI which he calls *A Discourse about the Reformation of many Abuses*. " The Arms and the Legs," he says,[1] " doth never draw the whole Blood from the Liver, but leaveth it sufficient to work on." Just as wealthy wool-staplers must not " consume, destroy and devour whole fields, houses and cities "[2] for sheep-farming, so the villager on the one hand, and the Londoner on the other, must leave the country town secure in its immemorial trade, and the provincial merchant in turn must refrain from poaching on the London exporter's preserves. The Tudors and Stuarts were as mistrustful of the Great Wen as Cobbett himself—constantly trying to limit its growth, and to prevent the country gentry from spending too much of their time there; dreading, because they could not dispense with, the fortunes of its great merchants. As a counterpoise to this budding Fourth Estate they fostered the provincial towns, encouraging each to set up as a miniature metropolis, a social and economic centre for the whole surrounding district.

Such a town was Shrewsbury. " In the language of the gentry many miles around the Wrekin, to go to Shrewsbury was to go to town ";[3] and although it was not, as Macaulay avers, the usual seat of the Council of Wales, it did serve in many respects as a metropolis for the northern counties of the Principality. The " oldest and most influential trade organisation " in the town was its Mercers' Company, which in the fifteenth century included the goldsmiths and probably the drapers. But by a charter of the first year of Edward VI's reign the Drapers' Company received separate incorporation.[4] Almost at once they became involved in a struggle with the country weavers; for weaving was already seeking refuge from municipal gild restrictions in the comparative freedom of the countryside. In the uplands of Wales the peasants, long accustomed to weave their own *brethyn cartref* at home, were learning to manufacture " Welsh cloth called Whites, Russets and Kennets," " Welsh frise " and " Welsh cotton," flannels, linings and " plains," fit to be sold in markets and fairs or even exported abroad from Caernarvon or Beaumaris, Bristol or London—" to

[1] Burnet, *History of the Reformation* (1852 ed.), vol. ii, part ii, p. 84.
[2] More, *Utopia*.
[3] Macaulay, *History of England* (Firth's ed., 1913), i, p. 326.
[4] Unwin, *op. cit.*, pp. 86, 98; Victoria County History, *Shropshire*, p. 429.

the great profit of all the King's subjects of this realm."[1] These the newly-chartered Company at first sought to exclude from Shrewsbury market altogether, obtaining an order to that effect from the town authorities in 1470.[2]

In the course of the next century they changed their tactics, substituting control for exclusion. This fitted in well with the requirements of the State; for there had been complaints of "untrue making," which it was more difficult to check now that the trade was carried on by "foreigners, husbandmen and grasiers dwelling in the country," outside the corporate towns. "The King's Alneager (aulnager)," as a member of the House of Commons, scornfully remarked in a later debate on the subject, "is not to run to every petty town in Wales."[3] To give the monopoly of the sales of Welsh cloth to the Shrewsbury Draper's Company was to throw the responsibility on to the monopolists. This is what was done by the Act of 1565,[4] which recites that the

> "Company, Fraternity or Guild of the Art and Mystery of Drapers . . . hath by reason of buying and selling of *Welsh* cloth . . . been not only able to live thereby, but also have at their common costs provided Houses and other Necessaries for poor people within the said Town" and "set on work above six hundred Persons of the Art or Science of Sheermen or Frizers" for finishing the cloth; yet "divers Artificers and other Persons within the said Town of *Shrewsbury*, not being of the said Company or Mystery, nor brought up in the Use of the said Trade, have of late with great Disorder, upon a mere Covetous Desire and Mind . . . occupied the said Trade by buying *Welsh* Cloth . . . by means whereof the said Trade is greatly decayed and discredited"; it therefore enacts that henceforth no person "other than such as have or shall have served as Apprentices in the said Occupation . . . or be or shall be of the said Science or Mystery shall occupy, use, exercise or frequent the said Trade."

The monopoly was not popular in Shrewsbury. In 1570 the Drapers and the Shearmen were at Loggerheads,[5] and two years later the malcontents procured the repeal of the Act.[6] So far

[1] 32 and 33 *Hen. VIII*, cap. 3; 34 and 35 *Hen. VIII*, cap. 11, cap. 26; E. A. Lewis, *Medieval Boroughs of Snowdonia*, pp. 180, 189, 200; *Trans. Roy. Hist. Soc.*, 1903, pp. 151 ff.; *Y Cymmrodor*, xxiv, pp. 86 ff.; *Archæologia Cambrensis*, 1922, pp. 229, ff.

[2] *Hist. Mss. Com.*, 15th Rept., Ap., Pt. x, p. 11.

[3] 32 and 33 *Hen. VIII*, cap. 11; *Journals of the House of Commons*, 1, p. 535.

[4] 8 Eliz., cap. 7.

[5] *Hist. Mss. Com., loc. cit.*, p. 16.

[6] 14 Eliz. cap. 12.

from increasing employment (they claimed) it " hath been and is likely to be the very greatest cause of the undoing of the poor Artificers and others at whose suit the said Act was procured " ; not to mention the " great Decay " it had occasioned

> " to a great and infinite number of poor people in North Wales, that is to say in the Counties of Montgomery, Denbigh and Meirioneth, and also to the Town of Oswester (Oswestry), . . . where the said Welsh Clothes . . . are made and sold."

Within a decade of the repeal, the Drapers were fighting for their privilege on several fronts. Apart from the interlopers at home, they had to meet the claims of rival towns like Chester, and Oswestry, and even Bristol and Coventry, to serve as the staple for Welsh woollens.[1] Oswestry, a small but ancient borough and market town, essentially Welsh despite the accident of frontiers, and situated on one of the main highways from Wales into Shrewsbury, was the most dangerous rival. It was here that the Shrewsbury Drapers, as well as those of Whitchurch, Chester and Coventry, would meet and chaffer with the Welshmen, coming up from Wales with their train of mountain ponies, each bearing its pannier-load of rough undressed cloth awaiting the skilled services of the shearmen and dyers. But Oswestry had now its own Weavers' and Clothmakers' Gilds and its own Company of Mercers and Drapers, and they saw no reason why they should not deal directly with the London exporters, dispensing with the services (and profits) of the Shrewsbury middle-men.[2] On the other hand the Shrewsbury Drapers did not like the journey to Oswestry. The road was infested with robbers, and in setting out over the Welsh Bridge it was well to collect in bands with weapons handy, and fortified beforehand by the prayers of the Vicar of St. Alkmands, who received an annual subvention of £1 6s. 8d. for the service.[3] Having resisted, by the good offices of the Lord Chancellor, Sir Thomas Bromley (a Shropshire man), an attempt to draw the staple to Oswestry in 1582, the Drapers' Company began a counter-offensive. Early in James I's reign (about 1609) they tried to cut out Oswestry altogether by compelling the Welshmen to undertake the perils of the journey to Shrewsbury and sell their

[1] *J.H.C.* I, p. 535 ; *Hist. Mss. Com., loc. cit.*, p. 23 ; *Arch. Camb.*, 1922, p. 244.
[2] Leland, *Itinerary in Wales* (ed. Lucy Toulmin Smith, 1906), p. 75 ; Stanley Leighton : *Records of the Corporation of Oswestry* (reprinted from *Transactions of the Shropshire Archæological Society*, 1879-83), *passim* ; *Bye-gones relating to Wales and the Border Counties*, 1888, pp. 275-6 ; *Calendar of State Papers* (*Domestic*), 1619-23, cxii, no. 97 (p. 124).
[3] T. Phillips : *History and Antiquities of Shrewsbury* (1779), pp. 135-8.

cloth in the market there. But Oswestry too had a friend at court; for Thomas Howard, Earl of Suffolk—now high in favour through his share in the detection of the Gunpowder Plot—was Lord of the Manor, and till his disgrace in 1618 he saw to it that Oswestry kept her market.[1]

Before long, the two rivals were drawn together by a common peril. In 1613 complaints were brought before both the Council of Wales and the Privy Council against Robert Charlton and others of the London "Company of French Merchants," who were accustomed to buy Welsh cloth for the purpose of exporting it to France. Instead of meeting the authorised dealers, at Blackwell Hall in Basinghall Street—recognised since 1398 as the London depot for country-made cloth—or at the new Welsh Hall in Leadenhall Street, these men had latterly been journeying into Wales to deal direct with the Welsh weavers in the little market town of Machynlleth, on the borders of Montgomeryshire and Merioneth; thence the cloth could be shipped "in the rough" from the nearest seaport, Aberdovey, to France. This meant not only a loss of sales at Oswestry and Shrewsbury, but—what was of national import—a loss of employment for the shearmen, dyers and finishers, and a corresponding gain for their rivals abroad. The Privy Council took a serious view of the matter, and forced the offenders to enter into bonds not to buy any Welsh cloth in the future outside Blackwell Hall; the Council of Wales, while upholding the right of Oswestry market to sell cloth freely for home consumption, forbade the London exporters to deal in the markets of Wales and the Marches.[2]

The Londoners now tried to get round the monopoly by acquiring a *pied-à-terre* in the privileged towns. One of them employed an Oswestry clothworker, William Thomas, as his factor, and had to be restrained from buying cloth there for export in May 1619. The disgrace of the Duke of Suffolk in the preceding year had lost for Oswestry her chief protector, and the Shrewsbury Drapers, in face of this new danger, managed to obtain an order of the Privy Council in November restoring their monopoly of "buying of clothes at Oswestry rawe and undressed, and working and dressing, sometimes dyeing them." Although the order forbade

[1] The story which follows is touched upon in F. A. Hibbert's *Influence and Development of English Gilds* (1891), pp. 89-97, Unwin's *Industrial Organisation in the Sixteenth and Seventeenth Centuries* (1904), pp. 87, 186, 188, and in an article by Dr. Caroline Skeel on "The Welsh Woollen Industry in the Sixteenth and Seventeenth Centuries" in *Archæologia Cambrensis*. 1922.

[2] *Arch. Camb.*, 1922, p. 247; C. A. J. Skeel: *The King's Council in the Marches of Wales*, pp. 264-5.

mercers to meddle in a trade which " by reason of the variety of clothes, requires men of experience," in the very next month two members of the Shrewsbury Mercers' Company were accused of conspiring with Thomas Davies—a London merchant who had acquired burgess rights in Shrewsbury—to get themselves " deceitfully " made free of the Company of Mercers and Drapers of Oswestry for the purpose of buying Welsh cloth there and selling it " privately " in London. Not only so, but Charlton and his colleagues of the Company of French Merchants were snapping their fingers in the face of Privy Council orders. Petitions poured in from all quarters. The Corporation and the Drapers' Company of Shrewsbury wanted the Company of French Merchants to be summoned to show cause why they did not buy cloths at Blackwell Hall as formerly ; the Drapers of both Shrewsbury and Oswestry prayed that Davies might be restrained from " entrading " himself into their trade, and the Londoners checked in their effort to " engross all markets." Against them was arrayed the might of the merchants of London, claiming as of ancient right their liberty to buy throughout the kingdom. Davies, when examined by the Council, offered to resign his freedom of London rather than abandon the trade—an offer which the Council were loth to accept lest it should be taken into precedent.[1]

Davies and his associates were emboldened in their contumacy by the fact that the national tide was flowing strongly against monopoly in any guise. Parliament met in January 1621, and promptly launched an attack on James's lavish grants. Monpesson and Michell, the arch-offenders, were impeached, and an Anti-Monopoly Bill passed the Commons. But the Lords were shy of tying the King's hands for the future, and James turned the flank of the opposition which abolished the most obnoxious of the patents.[2] The monopoly of Welsh cloth followed a similar course. A Bill for opening up the trade had passed its second reading in the Commons on March 2nd—more than a week before the general measure against monopolies was introduced, and Welshmen were rejoicing that the " grievance touching Welsh cottons " was " like to overthrow the Shrewsbury men." It reached the Lords on April 24th ; and passed all stages there ; but instead of giving his assent to the Bill the King issued a Proclamation on July 10, suspending during the Parliamentary recess a number of monopo-

[1] *Cal. S. P. Dom.*, 1619-23, cx, nos. 154-5 (pp. 88-9) ; cxii, nos. 39-42 (pp. 116-117), 97 (p. 124), cxiii, no. 57 (p. 135) ; Leighton : *op. cit.*, p. 97 ; Unwin : *op. cit.*, p. 99.

[2] *Cal. S. P. Dom.*, 1619-23, cxx, no. 30.

lies including that " restraining the sale of Welsh cottons to particular places."[1]

With the dissolution of Parliament (after the Commons had made their famous Protestation) the struggle was renewed. Deserted by the Government and left with large stocks on their hands which they vainly sought permission to export,[2] the Shrewsbury Drapers resolved to try what economic boycott could effect. Even while the Bill was still under discussion they began the policy of avoiding Oswestry market, and soon after it became law they entered on their books an order—which remained there for 170 years—" that they will not buy cloth at Oswestry, or elsewhere than in Salop."[3] In vain did the Privy Council, moved by complaints from Oswestry, Denbighshire and Merioneth of the poverty in which they were plunged by the loss of their principal customer, make an order in the June of 1622 that the staple should be restored to Oswestry, that buying and selling should be free there, and that the Welsh should also be at liberty to sell cloth in exchange for cargoes of grain coming to their own seaports.[4] The whole town of Shrewsbury was now behind the Drapers in what had become a fight to the death for the maintenance of the Welsh cloth market there. The President of the Council of Wales and the Chief Justice of the Chester circuit of the Great Sessions, charged with the task of enforcing the Council's decree, were at their wit's end. They might make concessions, they might summon the bailiffs of the refractory borough before them; the " proud Salopians " simply sat tight. The matter affected thousands in Shrewsbury, but a mere handful in Oswestry, they loftily told the Council. The Council itself saw no point in continuing a staple where no one who counted would buy. They decided to accept the sporting challenge of a Shrewsbury burgess who " followed the trade of Oswestry," and whose family had served it during earlier disputes. If he would stand surety for the continued sale of cloth, in undiminished quantities, at Oswestry market, the staple should remain there, otherwise everyone was free to buy where he liked.[5]

This decision was given towards the end of 1622, and we hear

[1] *Cal. S. P. Dom.*, 1619-23, cxxii, (p. 274); *J.H.C.* i, p. 534; *Hist. Mss. Com.* 3rd Rept., App. p. 22; National Library of Wales: *Calendar of Wynn (of Gwydir) Papers* (1926), no. 939.

[2] *Cal. S.P. Dom.*, 1619-23, cxxiv, no. 106 (p. 329).

[3] *Ibid.*, cxxi, no. 58 (p. 259), Phillips: *op. cit.*, pp. 135-8.

[4] *Cal. S.P. Dom.*, 1619-23, cxxix 60 (p. 379), cxxxi, 20-23, (pp. 403-4), 37 (p. 407), 77 (p. 413).

[5] *Cal. S.P. Dom.*, 1619-23, cxxxii, 64 (p. 432), cxxxiii, 14 (p. 447), cxxxiv, 22-3 (p. 463), 82 (p. 470). Leighton: *op. cit.*, pp. 94, 95, 96; *Bye-gones*, 1905-6, p. 126.

nothing more of the dispute for over a year. Trade was bad, for the Thirty Years' War was closing foreign markets ; and the cloth trade was suffering worst of all. It was a sign of the times that the Shrewsbury shearmen were clamouring for higher pay.[1] Hence the fierce competition for such business as remained ; hence, too, the bitterness of the renewed outcry against monopolies during the elections to the Parliament which met in February, 1624. Sir Richard Grosvenor, Sheriff of Cheshire (who had been a member of the last Parliament) made a speech before the election in which, while defending the King from the " misinformed opinion of his subjects, conceiving that his Majesty has been knowing and willing enough that these caterpillars, these Projectors, should have fed and preyed upon the people," he reminded them that the legislation of the last session " wanted true essence, suddenly vanishing." His hope that the new Parliament would " endeavour by all means to give life and form to their predecessors' conceptions "[2] was fulfilled by the passing in rapid succession first of the definitive Statute of Monopolies (the scope of which did not extend to civic corporations and companies), and then of an " Act for the Free Trade of Welsh Cloths." Henceforth Welshmen could sell their cloth anywhere and to anyone, and it could be sent overseas from any port in England or Wales, the only remaining restrictions being that it must not be exported in the rough, and that no " foreigner " could buy in Shrewsbury market.[3]

The point of principle was settled, but in practice matters remained exactly where they were. In the growing disorganisation of trade the Welshmen got small comfort from their licence to deal direct with the Londoners, and the Shrewsbury men would not budge an inch. Efforts to compel them to buy at Oswestry continued right into Charles I's reign, the Welshmen appealing first to their compatriot Lord Keeper Williams and then to the Lord President of Wales. As a result of their complaint to the latter that attendance at Shrewsbury Market on Wednesday would prevent them from buying their yarns in Machynlleth and Dolgelly, whose markets were held on the same day, Shrewsbury agreed to hold the Welsh cloth market on Thursday, but that was the only concession they obtained.[4] A last despairing effort to recover the Oswestry staple after the Restoration seems to have fared no

[1] *Cal. S. P. Dom.*, 1619-23, cxxxiii, 37, p. 452, *et passim* ; *Calendar of Wynn Papers*, Nos. 896, 908, 922, 1013, 1023, 1054, 1154, 1078.

[2] C. T. Gatty : *Mary Davies and the Manor of Ebury* (1921), I, pp. 238-41.

[3] 21 Jac. i, cap. 9 ; there is an interesting summary of the provisions and of the case for the Bill in *Cal. of Wynn Papers*, no. 1182.

[4] Leighton : *op. cit.*, p. 97 ; *Trans. Shrops. Arch. Soc.*, III, p. 136.

better; nor did any success attend an effort on the part of the Corporation itself, during the Commonwealth, to restrain the Company from "forestalling or engrossing the Welsh Flannels, Cloaths, etc."[1] Meanwhile, since nothing would induce the mountain to come to Mahomet, Mahomet had to make up his mind to go to the mountain. Shrewsbury on a Thursday came to wear the aspect of a Welsh town, the Oswestry market languished for lack of patrons; and the Welshmen fell more and more completely into the toils of the all-powerful Drapers' Company.[2] In 1637 the Drapers complained to the Privy Council of the "ill making" of Welsh cloths; the Council of Wales, asked to investigate the charges, found that the evil was largely due to the Drapers' own malpractices, for by stretching the cloth and other deceitful devices they not only injured the quality of the goods, but defrauded the weavers of their rightful earnings. Complaints of a similar character are echoed right down to the nineteenth century.[3]

Many parallels might be found in early economic history for the economic domination which the Shrewsbury Drapers thus achieved over the Welsh woollen industry. Henry VIII restricted the finishing of Norfolk cloths to Norwich, and of Yorkshire blankets to the City of York; Bridgewater, Taunton and Chard claimed a similar primacy in Somerset, and another group of towns in Worcestershire.[4] But there are two peculiarities about the Shrewsbury monopoly. In the first place, the Norfolk countryman was not a "foreigner" in Norwich as the Welshman was in Shrewsbury. Here was a case where the eternal conflict between town and country was aggravated by the thought that "the Welsh have the labour, and strangers the profit." For much of the money gained by sales was spent outside the country, and the road to advancement for an ambitious weaver lay through Shrewsbury, by apprenticeship with the Company, and not at home.[5]

In the second place, the monopoly was exceptionally long-lived. By the end of the seventeenth century, as Dr. Levy points out,[6] "within the bounds of industrial capitalism the way was open for

[1] Skeel, *King's Council in the Marches of Wales*, p. 266; Fuller, *Worthies* (Nuttall's ed., 1840), iii, p. 53.
[2] Defoe, *Tour through the Whole Island of Great Britain* (6th ed., 1761), ii, pp. 387-8; *Arch. Camb.*, 1922, p. 246; *Bye-gones*, 1886, p. 167.
[3] Rev. W. Davies, *A General View of the Agriculture and Domestic Economy of North Wales* (1810), pp. 497-500; Reports of Assistant Commissioners on Handloom Weavers, iv, (*Accounts and Papers*, 1840, xxiv), pp. 553-5; *Bye-gones*, 1916-18, p. 104.
[4] Mantoux, *The Industrial Revolution* (trans. M. Vernon, 1927), p. 35; Unwin, *op. cit.*, p. 187.
[5] Davies, *op. cit.*, p. 407; *Bye-gones*, 1905-6, pp. 36-7; Powysland Club, *Montgomeryshire Collections*, xxiv, pp. 185-7.
[6] *Monopoly and Competition*, p. 71

competition. No man who wished to put capital into a rising industry found himself hampered by the prior rights of others or by legal decisions restricting competition." But the Welsh woollen industry was not a " rising industry," and Wales itself was still a miserably poor country. The Shrewsbury gilds had been " digging themselves in " while the Welshmen were still suffering under the misrule of the Marchers ; and when at last the Tudors brought law and order and removed disabilities, the spade-work of developing native industries proved a poor counter-attraction, for a man of ambition, to the " glittering prizes " of the Law, the Court, the Monasteries and an ever-expanding foreign trade. It was useless for wiseacres like the author of the Elizabethan tract *De Presenti Statu Totius Walliae*[1] to urge Welshmen to imitate Yorkshiremen in laying out capital on the woollen industry when the whole country lived from hand to mouth, unable to find ready money for the tax-collector till after the great cattle sales.[2] And so the Shrewsbury men had it all their own way. The local markets had to content themselves with selling *brethyn cartref*, the rough cloth kept for home use ; all that was destined for export or for wider distribution went to Shrewsbury market each Thursday. There the members of the Drapers' Company, having dined together, went up one by one, in order of seniority, to the room over the Town Hall which they hired for the purpose, made their purchases, sent the cloth out to the shearmen and dyers for finishing, and had it conveyed to London for sale to exporters.[3]

It is impossible to fix an exact date for the breakdown of this monopoly. The legal insecurity of the stand taken by the Drapers' Company was revealed in 1746, when they failed to obtain judgment against two of their fellow-townsmen who, although not free of the Company, had purchased flannel at Welshpool and Montgomery.[4] Montgomeryshire specialised in flannels of a fineness and durability which were giving them a national repute, and which did not call for the services of the Shrewsbury shearmen. These, indeed, were a dwindling class. The six hundred mentioned in the Elizabethan statute had shrunk to forty by 1773, when Pennant was making his tour, and a few years later their hall was being used as a Wesleyan Chapel, though the craft was still alive

[1] Printed in *Arch. Cant.*, 1915, pp. 237 ff.
[2] *See* an article by the present writer in *Economica*, 1926, p. 16 ; cf. Report of Departmental Committee on Welsh Language, 1927, p. 27.
[3] Owen and Blakeway, *History of Shrewsbury* (1825), i, pp. 511-12.
[4] *Victoria County Histories : Shropshire*, I, p. 431 *n.*

as late as Waterloo.[1] By Pennant's time, too, the Drapers themselves had stooped to buy Welsh flannel in the open market of Welshpool, and in 1797 they went so far as to contribute £100 towards building a new market hall there.[2]

The other chief woollen product of Wales was the " web " cloth of Merioneth and parts of Denbighshire, which the wars and colonial acquisitions of the eighteenth century brought into popularity as material for soldiers' uniforms and cheap suits for American and West Indian slaves. For this Shrewsbury remained the exclusive emporium till well past the middle of the century, the goods being brought to Oswestry, and there loaded on waggons for " their only mart, Salop," to be bought, dressed, dyed and distributed by the Drapers' Company.[3] But even here the monopoly was being challenged. The Welsh gentry, enriched by agricultural improvement, had at last begun to spend money on developing the country, and from the beginning of George III's reign turnpikes and canals, stage coaches and stage waggons were opening up markets at home as Clive and Wolfe were extending them overseas.[4] Between the American War of Independence and the Wars with Napoleon the Welsh woollen industry enjoyed a period of unprecedented prosperity. It seems to have been during that period that a depot was opened at Barmouth for the export of Merioneth cloth direct by sea to the continent and America. The exports were never of alarming bulk—3,031 pieces in 1790 was the highest figure attained—and the scheme collapsed with England's entry into the Napoleonic War; but it was the thin end of the wedge.[5]

Liverpool merchants now began the practice of arranging with agents to buy up webs on the spot (like the London interlopers of an earlier age) and arrange for their conveyance by sea. The Shrewsbury Drapers had to follow suit, till in the 'nineties these " factors " or " Welsh drapers " were to be found in all the important cloth-producing districts, buying from the weavers in their own homes, making them advances for the purchase of materials, superintending the preparation of the goods for the market, and

[1] Pennant, *Tours in Wales* (Rhys' edition, 1883), iii, p. 224; T. Phillips, *History and Antiquities of Shrewsbury* (1779), pp. 135-8; T. Howell, *The Stranger in Shrewsbury* (1816), p. 32.

[2] The date of the transference of the staple to Welshpool is given in the Reports of Assistant Commissioners on Handloom Weavers (*A. and P.*, 1840, xxiv, pp. 553-5) as 1782; but it had already taken place when Pennant wrote (ii, p. 253, iii, pp. 224-5). *See also Salopian Journal*, May 17th, 1797.

[3] Lewis Morris, *Plans of Harbours . . . in St. George's Channel . . . with an Account of the trade and Manufacture of that Coast* (1748), p. 9 and Addenda; R. Pococke, *Travels through England*, 1734-64 (Camden Society, 1888-9), II, p. 15; Defoe, *Tour* (5th ed., 1753), II, p. 376; Dyer, *The Fleece* (1757), Book III.

[4] *See* an article by the present writer in *Arch. Camb.*, 1925, pp. 121 ff.

[5] Pennant, *Tours*, ii, p. 253; Davies, *General View* (1810), p. 400.

selling wholesale, on commission, to dealers from Shrewsbury, Liverpool or London.[1] The Blackwell Hall factors played a similar part in the West of England clothing industry, and the Lancashire cotton industry was passing through the same phase.[2] To some old-fashioned people the dealings of these " forestallers " were highly suspect ; others thought them " a most useful sort of men," through whose good offices " a more regular and diffusive division of the profits " might be hoped for.[3]

The very years, then, which brought to monopoly in foreign trade the staggering blows dealt by Adam Smith on the one hand and George Washington on the other, were fatal also to this relic of the monopolistic spirit in home industry. But the patient took as long to die as Charles II. As late as 1790 the Shrewsbury trade in Welsh woollens was still believed to amount to £1,000 a week. Seven years later a traveller writes of Shrewsbury : " it was actually the market a few years, but now it is little more than nominally so " ; and in 1803 the room over the Town Hall which the Drapers had used for two centuries ceased to be market for Welsh cloth and became an ironmonger's warehouse.[4] Henceforth Shrewsbury was only one of a number of rival distributing centres : Welshpool, the chief flannel market, which in 1818 annexed the market day that had been Shrewsbury's own for 190 years ; Oswestry, where part of the Town Hall was set aside in 1807 as a depot for cloth made in Denbighshire ; the great March fairs at Wrexham ; Dolgelly, the market for that portion of the local output of webs which did not go by waggon to Shrewsbury or by sea from Barmouth.[5]

No longer need the goods be sent out of the country for finishing. Fulling mills had been common since the Middle Ages ; water-driven machinery for carding first appeared in the 'nineties, and was penetrating even " the most distant parts of the weaving districts " in the early years of the nineteenth century.[6] Many of

[1] Owen and Blakeway, *History of Shrewsbury* (1825), i, p. 512 ; *Bye-gones relating to North Wales and the Border Counties*, 1905-6, p. 126 ; *Shrewsbury Chronicle*, June 26th, 1829.

[2] Rev. J. Evans, *Tour through Part of North Wales* (1800), p. 88 ; S. J. Chapman, *Lancashire Cotton Industry* (1904), pp. 63-5 ; Daniel, *Early English Cotton Industry* (1920), chap. 2.

[3] A. Aikin, *Journal of a Tour through North Wales* (1797), pp. 79-80 ; Davies, *General View*, pp. 394-5.

[4] Barfoot and Wilkes, *Universal British Directory*, 1790, iv, pp. 414-5 ; Aikin, *Journal*, p. 72 ; Owen and Blakeway, *loc. cit.* ; Howell, *op. cit.*, pp. 31-2.

[5] *Shrewsbury Chronicle*, April 13th, 1818, Davies, *General View*, p. 402 *n* ; Pigot's *Directory*, 1828, p. 1179 ; *North Wales Chronicle*, April 10th, 1828 ; R. Prys Morris, *Cartref Meirionydd* (Dolgellau, 1890), p. 115.

[6] *Arch. Camb.*, 1922, p. 220; Aikin, *Journal*, p. 76, Davies; *General View*, pp. 390-1, 393.

the millowners employed spinners and weavers as outworkers; others, imitating the example set in Lancashire in the 'eighties, equipped their mills with "suitable rooms for spinning and weaving," containing broad and narrow looms and jennies of forty or sixty spindles each;[1] and Newtown and Llanidloes for the flannel industry, Machynlleth and Dolgelly (on a smaller scale) for webs, became manufacturing centres to which rough work could be sent from the country districts to be finished for the market.[2] "With the general adoption of machinery," a traveller prophesied in 1797, "the manufacturers will become large capitalists, as is already the case in Lancashire and Yorkshire";[1] they then "will not abandon to the English drapers the advantage of preparing their rough goods for the foreign and domestic markets; nor to the London and Liverpool merchants, the profits of exporting them . . . and thus the whole profits of an extensive national concern will circulate through, and invigorate every part of the province where it originates."[3]

This prophecy was only partially fulfilled. The larger millowners might become "wholesale vendors of their own flannels, sending them to dealers in different parts of the kingdom without the intervening additional charge of commission or agency,"[4] but the smaller concerns—even in Newtown and Llanidloes—were glad of the services of factors, whose advertisements continued to appear in the local press till well on in the nineteenth century.[5] These factors would buy from the country manufacturers (who generally lived from hand to mouth) in the early months of the year, and hold their stocks till the summer, when the London buyers came into the market. The wholesale merchant and the middleman—although, curiously enough, there is no sign of their having at all frequently become actual factory-owners—were the real *entrepreneurs* in all save the largest concerns; they were able to drive a hard bargain with the manufacturer and often to fleece him—in addition to the recognised commission—by means of frauds in measurement as flagrant as those of which the Drapers' Company had been accused.[6] For most of the mill-owners were men of slender resources, working to order on their customers'

[1] *See* e.g. advts. in *North Wales Gazette*, March 10th, 1814, *Shrewsbury Chronicle*, May 14th, 1819, May 4th, 1827; cf. Unwin, Hulme and Taylor, *Samuel Oldknow and the Arkwrights* (1924), p. 110.

[2] Bayley and Britton, *Beauties of England and Wales*, vol. xvii, *North Wales*, by Rev. J. Evans (1812), pp. 111 *n*, 836; *A. and P.*, 1840, xxiv, pp. 555, 567.

[3] Aikin, *Journal*, pp. 83-4.

[4] Davies, *General View*, p. 394.

[5] E.g., *Shrewsbury Chronicle*, July 23rd, 1824, Sept. 2nd, 1825, Aug. 24th, 1827, Aug. 21st, 1829, June 25th, 1830, May 27th, 1831.

[6] *A. and P.*, 1840, xxiv, pp. 553-5.

material,[1] or combining cloth-making with some other occupation,[2] often unable to sign their own names.[3] Their machines were few and rude, their buildings primitive—a converted corn-mill hired at a nominal rent,[4] or a mud-walled shed, with slits for windows, built on to an old fulling-mill,[5]—their wage-bill trivial. The few bigger establishments in places like Newtown were mostly built by enterprising landlords[6] or immigrant capitalists.[7]

In these circumstances the Shrewsbury Drapers were able to exert a decisive influence on the trade long after the interlopers had broken down their monopoly. They continued to advertise for assistants "accustomed to the Welshpool and Dolgelly markets"; it was through them that orders for Welsh cloth from the East India Company reached the Welsh manufacturers as late as 1833; and the chief woollen manufacturer of Dolgelly, who gave evidence before the Handloom Weavers in 1839, was the resident agent of a Shrewsbury firm.[8] The spirit of monopoly died hard. In 1823 the United Company of Mercers, Grocers, Ironmongers and Goldsmiths in Shrewsbury brought an action to prevent a non-freeman from carrying on business as a mercer in the town—and won their case. This success encouraged the Drapers' Company to make one more bid for its lost privileges—almost exactly two hundred years after the Act for Free Trade of Welsh Cloths. But their fellow-townsmen would have none of it. The days of "well-ordered" but exclusive trade were over; most of the economic legislation of Elizabeth's reign had disappeared during the last few years, and Peel and Huskisson were already attacking monopoly in its last preserve—that of foreign trade. "The whole of the trade of North Wales is in our possession," wrote an indignant reader of the *Shrewsbury Chronicle*. "Do the very respectable, though very limited, Company of Drapers suppose that any prescriptive power which they may exercise can prevent the sale of woollen goods by persons not members of their community, within the town and liberties of Shrewsbury."[9]

[1] *Ibid.*, pp. 567-8.

[2] E.g., Baker and Weaver (Bala), timber merchant, ironfounder and woollen manufacturer (Machynlleth), mentioned in Barfoot and Wilkes' *Directory* (1790 ff.), ii, pp. 264-5, iii, p. 867. Farmers frequently wove in their spare time, and many of the early mills were on farms.

[3] *A. and P.*, 1840, xxiv, pp. 558-9.

[4] E.g., advts. in *North Wales Gazette*, July 5th, 1811, *Shrewsbury Chron.*, June 4th, Sept. 24th, 1824. A mill near Ruthin was let in 1833 at a rental of £7 a year (S. Lewis, *Topographical Dictionary of Wales*).

[5] *Montgomeryshire Collections*, xxi, pp. 82-3.

[6] E.g., Rev. G. A. Evors of Newtown Hall (R. B. Rowlands, *History of Newtown*, Newtown, 1914, pp. 89, ff.), Cf. *A. and P.*, 1840, xxiv, pp. 553 ff.

[7] E.g. Cole and Britton of Llanidloes (*Mont. Coll.*, V, pp. 37-40).

[8] *A. and P.*, 1840, xxiv, p. 568. [9] *Shrewsbury Chronicle*, Jan. 26th, 1829.

The attempt failed, and six years later the same paper was deploring that " the total extinction of the Shrewsbury web trade is fast approaching."[1] But guerilla warfare with the Welshpool market now took the place of the old struggle with Oswestry. Even while the new market hall was building in 1797 ten Shrewsbury Drapers had conspired with fifty-four flannel manufacturers from southern Montgomeryshire to get the market removed to Montgomery; and in 1829 some of them obtained the support of disgruntled Newtown manufacturers in a fruitless effort to get it back to Shrewsbury—an occasion for much recrimination in the local press, with copious references to the " monopolistic spirit " which had lost Shrewsbury its market and the " unpleasantness which frequently occurs in the measurement of the goods." Foiled in this attempt, the Adullamites tried to get the chief market transferred to Newtown, and in 1832 they succeeded —to the irreparable injury of Welshpool, and with no corresponding gain to Shrewsbury or the Drapers' Company, whose exclusive privileges received their *coup de grâce* with the passing of the Municipal Corporation Act.[2] Another market was established at Llanidloes in 1836; but Newtown remained the principal depot, visited by buyers from London, Manchester, Chester and Shrewsbury.[3]

It was the completion of the Montgomeryshire canal in 1821 that gave Newtown its supremacy. Goods could now be sent direct by canal to Manchester, at much cheaper rates than those charged for land transport. During the dispute of 1829 the editor of the *Shrewsbury Chronicle* warned his Welsh readers that if trade continued to take this channel Lancashire imitation would soon be ousting the genuine Welsh product.[4] The warning was prophetic. Once more it was long-accumulated capital that told. Emancipated from Shrewsbury, the Welsh woollen industry became a dependency of Lancashire. At first the repute in which Montgomeryshire hand-woven flannels were held made it worth while for the manufacturers of the North to try and imitate them,[5] and to invest capital in the trade of Newtown.[6] Then the steam engine came; first in the form of the power-loom, which had revolution-

[1] *Shrewsbury Chronicle*, Jan. 26th, 1829.
[2] *Salopian Journal*, Aug. 30th, 1797; *Shrewsbury Chronicle*, June 19th, 26th, July 3rd, Oct. 7th, 1829, Dec. 16th, 1831; *A. and P.*, 1840, xxiv, p. 553.
[3] *Bye-gones*, 1884-5, p. 38; *Mont. Coll.*, xxxvii, p. 22.
[4] *Shrewsbury Chronicle*, June 19th, 1829.
[5] Davies, *General View*, pp. 393-4; *North Wales Gazette*, July 5th, 1810; *A. and P.*, 1840, xxiv, pp. 553-5, 557, 559.
[6] E.g., a branch of the Manchester Joint-Stock Bank was set up in Newtown in 1836; it lent money on easy terms to manufacturers, caused much unhealthy trading, and eventually went bankrupt itself (*A. and P.*, 1840, xxiv, p. 559).

ised the Yorkshire worsted industry by 1810, but did not appear in Wales till 1835 and did not acclimatise itself there till after 1850;[1] then in the form of the locomotive, which penetrated Montgomeryshire in the 'sixties. The first deprived the Welsh of their only two weapons—manual skill and water power; the second flooded their markets with cheap shop-made goods produced in factories on big coalfields. County landowners sent their yarn to Rochdale to be made into "real Welsh flannels" for sale to summer visitors, and even Newtown manufacturers found it more paying to act as retailers of Rochdale flannels than to make their own. A similar fate overtook the web industry of Merioneth. Welsh webs never enjoyed a national repute like Welsh flannels, and after the Napoleonic wars had put an end to Barmouth depot the industry remained in a state of arrested development. Its chief foreign market was lost when the American slaves were liberated in 1865,[2] and changes in fashion which made the countryman prefer a stylish but unsubstantial Yorkshire-made suit, bought at the village store, to the rough durable homespuns of his fathers,[3] reduced home sales to vanishing point. What the Tudors feared had come to pass; "freedom of competition" had drawn the blood of the body politic to a few congested centres, leaving the Welsh countryside nerveless and anaemic.

[1] *A. and P.*, 1836, xlv, No. 24; Roberts and Owen, *The Story of Montgomeryshire* (1916), p. 82.

[2] R. P. Morris, *Cantref Meirionydd*, pp. 115-6.

[3] Aikin, *Journal*, p. 81; cf. Sir T. Phillips, *Wales: the Language, Social Condition, Moral Character and Religious Opinions of the People* (1849), pp. 28-9.

Book Reviews

An Introduction to Tooke and Newmarch's—A History of Prices and of the State of the Circulation from 1792 *to* 1856. By T. E. GREGORY. London. P. S. King and Son. 1928. 8vo, pp. 120. 2s. 6d.

Economists are fortunate in the way their English classics are being reprinted and made more intelligible. The masterpieces of Adam Smith, Ricardo and John Mill have always been available since their first appearances; but Professor Cannan, Professor Gonner and Sir William Ashley have given us much better editions than our predecessors studied. Dr. Bonar, Professor Hollander and Professor Gregory have published the letters, minor works and biographies of Malthus and Ricardo. M. Halévy put illuminating fragments of Bentham's manuscripts into the appendices of his volumes on the philosophical radicals, and Mr. Everet is following up his lead. Mr. Eliot has edited two volumes of Mill's letters and Professor Coss has sponsored an improved edition of his *Autobiography*.

Now our benefactors are taking up men and books not quite of the first rank. In 1919 Professor Cannan reprinted the *Bullion Report* with enlightening commentaries. Mr. Higgs has made public the records of the Political Economy Club. Mr. Levy has given us long extracts from Senior's papers. Boldest and latest among these ventures is the reprinting of Tooke and Newmarch's *History of Prices*. If we buy enough sets to let the publishers out of this undertaking with whole skins, we can ask for any classic we like.

To interpret Tooke and Newmarch to the twentieth century is as much of a venture in its way as to republish the six volumes. Whilst almost all of us consult the *History of Prices* from time to time, few have read the whole 2,800 pages. It is, indeed, a hard treatise to read. There are many repetitions on the one hand and not a few inconsistencies on the other. The style makes one drowsy and the matter requires that one stay wide awake. History, statistics and dialectic are jumbled together and each presents difficulties of its own. The history is written for a purpose

and needs to be checked. The statistics are thrown in raw and need to be summarised. The dialectic is so largely controversial that the reader needs to know many other books, pamphlets, speeches and reports.

To make the work really intelligible, there is required an expert upon monetary and banking theory, an expert on the history of political economy, and an expert on economic history. Dr. Gregory combines these qualifications. He gives a lucid account of the leading problems with which Tooke and Newmarch dealt, sketches of the views which they controverted, and a candid statement of their deficiencies in method and their doctrinal shifts. Without glossing over the technical character of the argument, he reduces the difficulty of following it by skilful exposition of the leading themes. Above all, his analysis will help students to find what parts of the whole they should read for various purposes. Thus the new edition is far more useful than the original, and its cost but a fraction of the price commanded by the few second-hand sets which come into the market.

Of especial interest is Gregory's discussion of Tooke's strange failure to use index numbers in a history of prices.

> " This is the more extraordinary since the device was already known and was actually employed by writers quoted by Tooke, in particular by Joseph Lowe and by G. R. Porter, not to mention other writers whose efforts have been disinterred by modern historical statisticians. In the currency controversies of the Restriction period the concept of a scale or index was perfectly familiar, and was, of course, known to Tooke. Newmarch himself adopted the device later on for the ' *Economist' Commercial History.*
>
> " It is, of course, wasted labour to attempt an explanation of this omission. . . . The only possible defence is that Tooke and Newmarch were in reality more interested in the dialectical than in the statistical treatment of the subject." (pp. 14, 15.)

Another moot point—Tooke's shift from the Currency School to the Banking School—is analysed at length. In his early writings he had been " a modified Ricardian in currency matters " (p. 71). Eighteen-forty marks the transition in his views. Tooke then generalised his old contention with respect to grain prices into the proposition that changes in the price level cause changes in the amount of the circulation (not *vice versa*), and went on to argue that there are only two factors which affect prices— " bullion values in the commercial world " and " circumstances

affecting the articles, or the opinions of persons dealing in the articles" (pp. 81, 82). Hence when Peel's Act reorganised the Bank of England in 1844 on the lines suggested by Ricardo, Tooke held that this statute was

> "one of the most wanton, ill-advised, pedantic and rash pieces of legislation that has come within my observation," an "ugly excrescence, calculated to endanger the permanence and to impede and derange the operation of the measures of 1819," and shown by its working to be "a total, unmitigated, uncompensated, and in its consequences, a lamentable failure" (p. 91).

Sir Walter Scott's skit upon monetary theorists comes back to mind as one reads this vigorous onslaught. Theologians can be found, I suppose, who go writers upon money one better in combining venom with prosiness. But need we concede any other superiors in this bad eminence? If challenged, of cou, rsewe could produce more vituperative specimens than Tooke, though his standard was high and kept getting higher as he grew older.

The strange thing is that such intemperate men sometimes enlarge the realm of reason. Stranger still, there are champions of controversy in science. At times Professor Gregory seems to be one of them. He has a soft spot somewhere in his hard head for "good haters." In an eloquent ending, he extols "the Pamphleteers, the men with an intellectual axe to grind, who are the great glory of English economic literature." Among their ranks he puts Tooke and Newmarch as "magnificent controversialists." That is a just rating. From a scientific viewpoint, it is also a severe criticism. For does not their controversial spirit betray them into errors? When Tooke sees red, does he still see straight? We owe much to him and Newmarch; might we not owe more had they added a scientific temper to their industry and acumen?

Columbia University. WESLEY C. MITCHELL.

Survey of International Affairs, 1926. By ARNOLD J. TOYNBEE. Oxford University Press. x+565 pp. 24s.

With each successive volume of the *Survey of International Affairs* the task of the reviewer becomes harder. The language of hyperbole allows of so little variation. The Survey for 1926 has the same merits as its predecessors in the same outstanding degree; accuracy, comprehensiveness, a literary style which makes the reading a pleasure in itself. One is left wondering how Professor Toynbee does it. This volume, like the second part of the Survey for 1925, contains work from other hands than his, and the

difference is as sharply perceptible as a change of temperature. Granted that Inter-Allied Debts and Cartels are subjects less amenable to the philosophical treatment of history than the events of the last few years in China : still, there is the same difference between the chapters on China in the volumes for 1925 and 1926. That of 1925 is as complete, as conscientious, as valuable for reference : but no one would read it for pleasure. That of 1926, though perhaps not as brilliant as the accounts in earlier volumes of Soviet Russia and the Islamic World, is worth reading for sheer literary merit. The Stevenson Foundation was indeed fortunate in finding to edit the Survey a historian who happened to be also Professor Toynbee.

More than half this volume is devoted to the Far East, and of that section by far the greater part is taken up with the situation in China. With admirable clarity Professor Toynbee disentangles the various phases, successive and contemporaneous, of the civil war and the anti-foreign movement, explaining their quite distinct origin, and the reasons, on the one hand, why the civil war, even without any anti-foreign manifestations, became a matter of concern to the Treaty Powers, and, on the other, why the war and the anti-foreign movement came to be linked up. Having analysed the chaotic situation in China into its component parts, he then proceeds, at the cost of a little repetition, to replace them in their appropriate setting, so that it at last becomes possible to see the recent history of China as a continuous development instead of a bewildering mass of mutually irrelevant incidents. But may one without undue levity express a hope that the international meteorologists will some day see something on the foreign horizon other than a cloud the size of a man's hand ?

A short section on the Pacific deals with Japanese Foreign Policy, which has previously only been covered incidentally in connection with China and the immigration question: with "C" mandates, particularly the Australian mandate for New Guinea ; the United States in the Philippines ; the disturbances in Dutch East India, which came just too late to round off the account of unrest in the Islamic World in the Survey of 1925 ; and Chinese immigration in the Pacific.

The European section of this volume deals almost entirely with Central Europe and the Balkans, the Little Entente, the Salonica question, the Hungarian banknotes scandal and its effect on international relations, and the various reconstruction loans raised by the League of Nations for ex-enemy countries. It contains also an account of the International Steel Cartel by Mr. M. S. Birkett,

Secretary of the National Federation of Iron and Steel Manufacturers.

The section on " World Affairs " is divided into two parts, on the League of Nations and Inter-Allied Debts. The first part deals at length with the vicissitudes attending Germany's entry into the League of Nations, with an illuminating comment on the problems arising out of the claim to democratic control of foreign affairs in connection with the failure of the Special Assembly in March, 1926. An admirable chapter by Dr. Lauterpacht on the negotiations with the United States on her proposed entry into the World Court, which need not fear comparison with Professor Toynbee's own work, completes the first part of this section.

The second part is an account of the question of inter-allied indebtedness, by Mr. R. J. Stopford, of the British Overseas Bank. Mr. Stopford surveys the whole question, from the moment when the debts were originally incurred down to the end of 1927, when its history may be said to close, since Russia is now the only country who has not come to any agreement as to repayment. He compares the terms made by Great Britain and the United States with their various debtors, and indicates the problems which still remain—the questions of reparations, transfer, and ability to pay.

L. P. MAIR.

The Paris Embassy during the Second Empire. Edited by COL. the HON. F. A. WELLESLEY. Thornton Butterworth. 1928. 337 pp. 25s.

In editing a selection from the unpublished private correspondence of his father, the first Earl Cowley, Colonel Wellesley has produced an entertaining book of some historical value. It serves to remedy to some extent the unjustifiable neglect which Cowley's life and career have suffered at the hands of biographers and historians. A critical observer, who combined gifts of literary expression with those of shrewdness and good humour, Cowley held the British Embassy at Paris from 1852 until 1867, an office which Clarendon rightly described as " equal to any cabinet place " in political importance. The letters here published comprise, in the main, those exchanged between Cowley and Clarendon, who was his friend and, at times, Foreign Secretary. Covering as they do almost the whole canvas of the Second Empire, they provide intimate and outspoken judgments on statesmen and events which are valuable to the historian in correcting, emphasising, or assessing his views on what is still a partially explored tract of international history.

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Cowley's letters confirm the view that in the policies which led to the Crimean War Napoleon III played a part secondary to that of England, although in his readiness for war he was leading a pacifically minded France. They reveal that the Conference of Osborne in 1857, which resolved a serious Anglo-French crisis, was almost wrecked owing to an incautious *obiter dictum* of Palmerston which reached the Emperor's ears. What is of more general importance is Cowley's conviction that Napoleon was politically an opportunist without "any fixed policy at all," although he attributes to the Emperor, justly, two firm principles, namely that France should become and remain a first-rate Power, and that the Anglo-French alliance should be preserved. In the instability of Napoleonic policy lay the real weakness of the Second Empire, visible from the outset and the more serious in view of the Emperor's persistent ill-health and of the shabbiness, intellectual and moral, of his entourage.

Colonel Wellesley does not give any specific indication of his mode of selecting from Cowley's papers. The more important international issues, especially Anglo-French ones like the Orsini affair, are dealt with, and the letters are so edited as to form a continuous narrative. For the general reader who is interested in the personal and social background of political life there is much reading of a distinctly piquant kind. W. G. EAST.

Luc de Clapiers, Marquis de Vauvenargues. By MAY WALLAS. Cambridge University Press. 1928. viii+308 pp. 12s. 6d.

Vauvenargues is a very interesting figure, and Miss Wallas has written a very interesting book about him, the best introduction to the study which has appeared in English, and one which will long hold the field.

It is possible to differ from some of her conclusions and to challenge some of her interpretations. I see that another critic has accused her of totally misunderstanding a letter to Saint-Vincens, of capital importance. I should not go so far as that, but she certainly reads in it a tone of make-believe which I should hesitate to ascribe to the writer. She has been led astray by Vauvenargue's apology for a purple patch *à la Bossuet*, which might, he says, have been compressed into four lines, and clearer put: "Mais j'aime à me perdre dans une période." But I see no reason to suppose that his picture of the dying atheist is not absolutely sincere. Then, some of her æsthetic judgments are curious. In a passage on the frivolity of the eighteenth century which Vauvenargues heartily disliked, she lumps together card-playing, fops and flirts, the

Mémoires du Sérail, " Watteau's pictures and Rameau's music." Now Vauvenargues was sensitive to good music, e.g. he rates Lulli far above Quinault, and he could not do less for Rameau. If Miss Wallas herself considers Rameau to be frivolous as well as charming, one can only reply that England is a free country.

As a rule, however, her " generals " are sound and illuminating, whether she is dealing with the French as heirs of Rome, or the vogue of Stoicism, or the aristocrat's dread of derogation (I mention points which seem to me particularly happy); and her " particulars " are carefully considered and convincing. The friendship of Vauvenargues and Voltaire, one of the great friendships of history, is freshly and sympathetically handled, and in painting Vauvenargues she traces a pleasing portrait of the man whose good angel, in Sainte-Beuve's phrase, he was. Her treatment of Pascal is less satisfactory. It is untrue to say that he sacrificed his mathematical genius to the intensity of his religious feeling. The fact is that when mathematics called, he answered. Thus he solved the problem of the Cycloid when he was at the height of his saintly enthusiasm (October, 1658). Again, Miss Wallas misses the full meaning of " le cœur," which is not merely the emotions but all the natural instincts of man, of which the affections form the preponderant part. But she understands Pascal's hostility to Descartes, and she appreciates his supremacy as an observer of human nature.

To sum up my impressions of Miss Wallas's work, I should say that it possesses nearly all the qualities which in Buffon's opinion will save a book from the moth. She knows her subject, she writes well, she has movement. All that is wanting is a little more *chaleur*. But this will come with experience, as summer follows on spring. And it is a great relief to be spared the sentimental touch which her romantic hero might so easily have called forth.

The book is got up with the distinction which we expect to-day from the Cambridge Press, and there are several quite admirable illustrations reproduced from photographs taken on the spot by the author.

H. F. Stewart.

The Struggle for the Freedom of the Press, 1819-1832. By William H. Wickwar. Allen and Unwin. 1928. pp. 322. 16s.

The freedom of the Press is, at the moment, a live question. We all know that there is no censorship, and yet we all know that there are limits to the right of publication. In the period of which Mr. Wickwar writes the position was, in point of law, fundamen-

tally the same, and the account that he gives of that little Reign of Terror is a reminder how precarious must always be society's foothold on the upper slopes of liberty. The law must lay its hand on disturbers of the peace. It must, therefore, take away from those who, politically, have nothing, even that which they have, for the voiceless have nothing to use but their fists. In England before 1832 the voter had, theoretically, a right to criticise policy, because he had a right to vote against the Government. But he had no right to criticise the Constitution, because it was immutable. The voteless had no right to criticise either Constitution or policy. He had no right, that is, to suggest a change. He was allowed to record a grievance. From this it followed that the voter must not direct his criticism to the ear of the voteless, since the only possible response would be a seditious response, and in this way the publication of criticism became an offence. It was held, in the case of Sir Francis Burdett, that a member of Parliament must not appeal to the *passions* of his constituents; he must only "inform those who can correct abuses." So might Queen Elizabeth speak. So did, in fact, Bolingbroke write, but the doctrine was already rotten, and went to pieces in his hands. That is why 1832 is a landmark. It is not that the Reform Bill recognised the Rights of Man. It resolutely denied them. But it admitted the fallibility of Governments and the frailty of Constitutions. The whole meaning of seditious libel was changed from that hour.

Mr. Wickwar explains with admirable lucidity the legal doctrine of criminal libel and also gives a telling summary of procedure, showing how little the jury system or habeas corpus could do to prevent punishment without trial or trial without justice. And again we tremble for our precarious rights. When he comes to fill in the facts of the battle, to tell us of Cobbett, Hone, the Hunts, Carlile and the female relatives of Carlile, he is less happy. The story fails to grip, it is overweighted with incident, and the narrative halts, stumbles and leaps in an inconsequent way. (It is disconcerting, for instance, to meet again on p. 240 an incident already related in full on p. 96.) We could have dispensed with some of the corroborative detail to make room for a clearer impression of the background and more notice of allied movements for bringing the weight of public opinion to bear on Government, especially, for instance, of Daniel O'Connell's victorious Catholic Association in Ireland. But Mr. Wickwar's extensive method has one valuable result. It shows clearly how liberty of speech induces moderation of language. Carlile was a stout champion of freedom, but he was not a model of political journalism. T. H. MARSHALL.

Select Statutes, Documents, and Reports relating to British Banking, 1832-1928. Selected with an Introduction by T. E. GREGORY, Professor of Banking in the University of London. Oxford Univ. Press, London, Humphrey Milford, 1929. 2 vols., lx+147 pp., viii+391 pp. 21s. net.

This book is of the class known in the universities as " Materials and Models," one of the most useful of aids to students in all subjects. Professor Gregory has provided both. We have the materials for the history of English banking, all the essential materials, from the Reform of 1832 to our own time. And we have in the Introduction a model of the way to treat them, so as to distil the essence out of them. Most of us would have expected a dry book, and most of us have been agreeably disappointed. Nothing will make an Act of Parliament read like a novel, and the *Questionnaire* addressed by the United States to the Bank of England in 1910, however useful (I, xli top), comes near the aridity of an Act. But the bandying of words between questioner and witness in a Committee or Commission is quite pleasant to read ; one or two examinations (say, Bagehot's in 1875, vol. II, 266 *seq.*) might even be called delightful, and yet instructive in every page of them.

To make the book moderate in size and price it was necessary (see Introduction) to confine its scope to England, which causes a gap of some importance; the incident of the City of Glasgow bank is barely mentioned (I, xlviii) (1878). The Baring crisis is described at some length (1890), though less elaborately than the failure of Overend and Gurney (1866) (vol. II, 124-86), which may be set down as the " purple patch." Speeches are not among the materials. Grote's, in 1840, is mentioned as " admirable " (Introduction, xvii). This rouses our curiosity, as, in the *Personal Life of George Grote* (1873, p. 132), Grote writes in 1840, that " Parliamentary transactions continued to be unimportant and uninteresting." Leading articles are among the materials, and there are long quotations from *The Times* and *Economist* on Overend and Gurney. The former's long lectures on elementary economics might still be of use to students in our universities. For the rest, the poor culprit, being down, is mercilessly horsewhipped. The paper knew its public and the prolixity was not out of place. The magisterical brevity of the *Economist* addressing economists is a good contract ; and we can gather sound epigrams from both. " A simultaneous satisfaction of all demands is even theoretically impossible " (*Times*, II, 134). " The promises which we have given to pay gold on demand could not be performed by

many thousand times as much gold as there is in the country" (*Economist*, II, 169, cf. 213). "The suspension of our Act in a panic is a simple substitution of one sort of credit currency for another; it is a replacement of the more complicated form of that currency by the more simple" (*ibid.*, 171).

The central figure throughout is the Bank of England, and the questions towards which we are always driven in these pages are: (*a*) whether or not we ought to have a central bank; (*b*) whether or not we have one already. What lacks the Bank of England that a King of Banks should have? In theory it was a private company with an old rival in the country banks and a keen new rival in the joint stock banks. It made mistakes and corrected them like other companies; e.g., when it had become a convert to convertibility it made the *amende honorable* to the memory of Ricardo in 1827 (I, x). It was forced to allow the joint stock banks to come within the sixty-five miles radius (I, xlii, xliii). But no other bank had dominated the world of trade by its rate of discount. No other was Government banker. It had the sole responsibility for the issues of metallic currency, and (in 1833, I, 22) its notes were made legal tender. We were told by Bagehot (II, 271-2) that the country banks were able to deal cheaply with the country customers because of the profitableness of note issue. This may still be happening North of the Tweed. It would seem to imply *cæteris paribus* that the country folk are now getting worse terms. But *cæteris paribus* is one of the most important reservations in economics; and amalgamations may have made many economies possible undreamt of even by Bagehot. Be this as it may, the Bank of England has lived to see the country notes disappear of themselves, most often in the euthanasia of amalgamations (I, xliv, cf. II, 325). Though the Bank Charter Act of 1844 separated its banking department from its issue department, the latter was not put under independent commissioners as Ricardo had proposed (*National Bank*, 1824, p. 506 of MacC.'s ed. of Ricardo); the issue, severely restricted, was still a function of the Bank of England. The restrictions were suspended 1847, 1857, 1866, and it is an old argument, used sometimes for them, sometimes against them, that it was certainty of suspension that kept the Act alive (cf. I, xxix). It is hard to believe the Bank other than a Central State Bank, on an English model, that is, entirely *de facto* and in spite of protests to the contrary. If we were creating all our institutions anew, our kind of central bank would have been different; but it could hardly *de facto* have been more of a State institution than it is. Government regulation of a nominally

voluntary combination, the regulation as close as the privileges are wide—that is the ordinary English idea of " nationalisation." In theory, every bank is supposed to keep an adequate metallic reserve ; in practice, the only adequate reserve is in the Bank of England, and other banks consider their reserves made adequate by the possession of claims on the same. It is interesting that the *Economist* (quoted I, 203) found in the American crisis of 1907 that " the real weakness of New York " was " the want of a great central bank " like the Bank of England.

War indeed added a new competitor for note-issues, the Treasury Notes of 1914. But the Bank, by the Act of 1928, the last Act in Prof. Gregory's list (II, 385 *seq.*), has recovered the ground invaded by the Government during the war. On Resumption (or Return to Gold Standard), 1925 (II, 372 *seq.*), it has made a significant change in the Issue department, significant of the modern importance of foreign trade and exchanges. By adopting Ricardo's ingots it defied the old prejudice in favour of the sovereign, and not a dog barked at it. We are coming to take the currency for granted, in old theory the ideal state of things, not accepted now by " very grave doctors." No one will say we have the best of all possible money markets ; panics are still possible as the cycles go round ; and, even if there were no panics, we may be short of perfection. The (second and third) cases considered by Prof. Gregory to be the possible creators of new emergencies are, withdrawal of large foreign balances and competition for gold among central banks (I, lx). These might lead to suspension of restrictions and " increase of the fiduciary issue " without the aid of panics at home. The ingots would not save us.

The topics of the whole Introduction are too many to quote or discuss ; there is something suggestive in every page. An admiring reader takes courage to deplore that the Introduction has no Contents, and, while the full Contents of the materials may suffice for them, there ought, in a new edition, to be a General Index of both Materials and Models.

J. Bonar.

British Food Control. By Sir Wm. H. Beveridge, K.C.B., M.A., B.C.L., LL.D. Oxford University Press. xx+446 pp. 17s. 6d.

Sir Wm. Beveridge has written his monumental history of the Ministry of Food with the skill and detachment which one would expect. The arrangement is admirable ; the style is lucid and at times vivid ; and the vast mass of facts and figures is marshalled and digested into a crisp and readable narrative. To the student

of public administration and political science the book should become a classic. It throws a searchlight on the inner workings of the machinery of Government ; and unlike so many memoirs of men who played a prominent or obscure rôle in war-time administration, it contains neither gossip nor rhetoric. It is written with that sense of balance and perspective which the true historian seeks to attain, and with an inside knowledge which he is seldom fortunate enough to possess.

There are five Acts in the drama. In the first, which extends from August, 1914, to December, 1916, Mr. Runciman is the chief figure. He stands for " business as usual " and private enterprise. After reluctantly nationalising the import of wheat, he refuses to go further. Rationing and control " are harmful, and they are harmful to those who have least with which to buy." In December, 1916, the Government fell.

The second Act opens with the appointment of Lord Devonport as Food Controller. For six months drastic action was again deferred. Lord Devonport failed by trying to do too much himself. The organisation of food control was a job for the administrator, not for the business expert.

In the third Act Lord Rhondda is at the helm. Even Sir Wm. Beveridge unbends so far as to call this " the heroic age " of food control. Lord Rhondda succeeded to " a one-man business " and created a Ministry of Food. The civil servants were given their head and the accumulated experience of officials drawn from a dozen Departments of State was mobilised in the national organisation of supply and demand. The public responded, and the job was pulled off somehow. The most dramatic scenes are those associated with the introduction of rationing and described in Chapter X. Up to the last moment two rival plans were in the air. In February, 1918, food queues had reached alarming proportions. Just when all was ready for rationing London and the Home Counties, the Prime Minister and the Army authorities intervened to know what was to be done about it. Within a few days the success of the scheme was assured and queues had " vanished from London for ever."

The two last Acts are in the nature of an anti-climax. After Lord Rhondda's death in July, 1918, Mr. Hoover assumed the rôle of Britain's Food Controller and the drama becomes international. Food supplies are pooled and rationed on a world-wide basis. And then from December, 1918, to its demise in 1921 the Ministry of Food is engaged in winding up its affairs.

" The main lesson of British food control," says Sir Wm.

Beveridge, " is that State trading in food is practicable and in times of prolonged shortage is necessary. . . . The Ministry of Food, suppressing private enterpise completely, accomplished what private enterprise in the War could never have accomplished." And then follows a fair summing-up of the pros and cons of State trading, leading to an expression of doubt on the author's part whether there is " any gain either to consumer or producer from public regulation of food-supply in peace, that would repay the cost of the vast organisation involved, or justify diversion to it of any of the limited store of political energy and ability needed for more urgent problems, or outweigh the risk of bribery by subsidies."

" If," says the author, " this judgment be sound, how little remains of the Ministry of Food and all its labours ! " And yet, from the way things are going—well, you never can tell!

C. E. M. Lloyd.

Foreign Investments. By Gustav Cassel, T. E. Gregory, R. E. Kuczynski, and H. K. Norton. University of Chicago Press (London : Cambridge University Press), 1928. ix+232 pp. 15s.

This is a print of four sets of lectures delivered in Chicago, by the authorities named above, under the auspices of the Harris Foundation. The general subject of the lectures was the theoretical and practical aspects of foreign investment with particular reference to contemporary problems such as the post-war development of American investment abroad and the settlement of inter-allied and reparations debts. Professor Cassel's contribution consists of three chapters under the respective headings of international trade, capital movements and exchange ; the utility of foreign investment ; the war debts. As always, his treatment of economic problems makes comfortable reading. His purpose in this case is to make clear that international trade and its accompaniment, foreign investment, are the ordinary economic transactions of mankind only complicated by the existence of communities with separate monetary standards. One would like to swallow Professor Cassel wholesale and finish the reading with the satisfied reflection that nothing remains to be said on this simple subject. True Professor Cassel relates the whole process to the operation of purchasing power parity, the fundamental factor determining the rate of exchange, while such aspects as foreign investment are rather unfortunately classed as " disturbances " and factors of secondary importance, but any laboriousness introduced by his

natural bias in exploiting this theory disappears as soon as he develops his conclusions, which are uncompromising. An export of capital is always counterbalanced by an export of goods to the same value (p. 20) ; it furnishes occupation for the export trades and, as far as employment is concerned, it performs the same service as any purchasing power that is retained at home and is used for buying goods in the domestic market (p. 38) ; there is no necessity for the capital exporting country to insist that the exported capital is used directly for buying the products of that country (p. 39) ; historically, exported capital has resulted in an extraordinary increase in the productive capacity of the borrowing countries, enabling them to supply the growing needs of industrial nations for food and raw materials ; more recently the large amount of unemployment in Great Britain and Germany, mainly attributable to the capital-producing industries, is definitely connected with the post-war decline in overseas lending (p. 59). Any restriction in the export of capital would mean an uneconomic use at home, a discouragement to saving or an encouragement to reckless state and municipal expenditure (pp. 50, 51). On this last point Professor Cassel makes a statement on which it would be interesting to learn the views of Mr. Lloyd George's select committee : " Even under normal circumstances public bodies are able to attract capital to the realisation of their programmes to an extent which is hardly compatible with strict economy." Here we should have left Professor Cassel, satisfied with the policy which " avoids placing unreasonable obstacles in the way of the natural forces tending to an incessant formation of fresh capital and to such a distribution of this capital as will best serve the productivity of the world's economy." But Mr. Keynes' correspondence on this subject in the *Economist* (March 9th, 16th, 23rd, and April 6th, 1929) sent us scurrying back to Professor Cassel for another reading. Bearing in mind the specific points raised by Mr. Keynes it was easier to fasten on the admission on p. 46 that export of capital represents a certain sacrifice, particularly since this followed directly on a quotation of the criticism that the diminished supply of capital in the domestic market reduces employment, causes higher rates of interest and tends to lower wages. This is Mr. Keynes' argument, but since Professor Cassel on the next page asserts that the export of capital gives rise to increased employment in the country's export trade, why does he talk of sacrifice, linking it up with the admission that the other agents of production (including labour, of course) are placed in a less advantageous position ?

Professor Gregory's opening lecture gives a very neat classification and nomenclature of the schools of opinion in this country relative to foreign investment. The analysis of the arguments and aims of these schools is brilliant in its succinctness and clarity. In his second lecture Professor Gregory had the uncongenial task of dissecting the statistics for the balance of payments of Great Britain. On this question of the balance we may hark back to disagree with Professor Cassel's complaint that many people oppose the export of capital because they still retain the crude mercantilistic idea of a favourable balance. Anyone condemned to mark elementary examination papers in economics will agree that the part played by the " invisibles " has by now been well drummed into the head of the ordinary man. This much progress must be registered. Unfortunately as far as the statistics of this country are concerned, excess of imports cannot be explained away so disengenuously in these post-war years of dislocation. For 1913 it was possible to present a neat balance sheet of revenue items only, showing a credit balance of £181 millions. Since overseas issues for that year were about £200 millions it was easy to stop at that point, leaving the student satisfied with the squaring of the account. But we now have to explain away an estimate like that of 1926, which showed a debit balance of £7 millions as against overseas issues of £112 millions. Hence the scare about lending long and borrowing short, and the increased importance attached to transactions on capital account, to which Sir Robert Kindersley has given prominence. Of course the importance in the balance of payments of such factors as foreign subscriptions to foreign capital issues, or sinking fund payments attached to existing overseas investments cannot be ignored. There are admirable features to an issue which America promptly takes over at three times the issue price. Professor Gregory has overlooked none of these refinements of the crude revenue account and he has brought in all the statistical data available. The only criticism is that after accounting satisfactorily, or at least reasonably, for the gap which was supposed to be filled dangerously by short-term borrowing, in the last paragraph of the lecture he seems to raise the bogey again.

Mr. Kuczynski's lecture dealt with American loans to Germany, and if the reviewer could answer the problems raised in this section he would present himself at the experts' conference tomorrow. In any case, developments have followed hard upon the delivery of the lecture, and they have not falsified but rather confirmed the line of argument.

Mr. Norton's section on " Backward Countries as a field for Investment " sounds a little unsophisticated to European ears. These soul-searchings on behalf of the high-minded American investor make us realise what an advantage this country obtained by planting its overseas investments in the bad old days when councils of bondholders always had a cruiser under steam. Will revolutionaries in Mexico and elsewhere note that their activities result in a cessation of loans with a consequent intensification of competition and a lowering of interest rates elsewhere, and please stop it.

G. L. SCHWARTZ.

A New Era for British Railways. By Professor HOWARD C. KIDD. Benn, 1929. 158 pp. 7s. 6d.

It is remarkable that it should be left to an American professor to provide us with an historical account of the passing of the Railways Act of 1921, and a measured summary of its economic effects.

With the problem of railroad consolidation facing Congress and its medium of railroad regulation, the Interstate Commerce Commission, this latest work on British rail transport was designed primarily for the American reader, but it contains much matter of great moment for the British student of economic and industrial progress.

Professor Kidd divides his book into five main divisions: the first dealing with the actual " Passing of the Railways Act," and the second pointing out the " Need for Railway Economies " resulting from the critical situation, a legacy of war convulsions, in which the industry found itself in 1921.

" The Plan of Railway Grouping " forms his third division, whilst the " Process of Amalgamation " itself occupies his fourth chapter. The last part of his book will be that of greatest interest both to the technical and general reader, for it is entitled " The Economies of Amalgamation." The extent to which such economies are capable of statistical measurement is covered most ably and deserves the closest attention by all who desire to understand the true situation as regards this important subject.

In general the author has adopted the interesting method of making full use of the information published in the press, both general and technical, during the years in which the events he has studied took place, thus he quotes liberally from *The Times*, *The Economist*, *Modern Transport*, and the *Railway Gazette*.

One is struck by the rapid change in viewpoint expressed from

month to month by those who to-day are regarded as guiding public opinion.

The contrast between the expense of railway construction in this country and in the United States could only have been so well described by one intimate with the problems of the two countries; while such points as financial equilibrium of an amalgamated system, and how incorrect was the railway opposition to grouping contrasted with its correctness in opposition to the financial provisions of the Government White Paper of 1920, demonstrate the grasp which Professor Kidd attained of his subject.

That serious road competition was apparently never foreseen in 1921, and the problem of employee representation on the board, coupled with compensation provisions which in practice prevented dismissals, are outstanding features stressed in Chapter I.

The different length of haul in the United States and Great Britain and the contrast in viewpoint as to the advisability of preserving competition are features often forgotten by other writers on this subject, while the inadequacy of pre-war interest rates during the post-war period is clearly expressed and regarded rightly as one source of the present difficulties.

It is doubtful if the statement that " British railway mileage exceeds that of any other country in terms of area " does not neglect the consideration of Belgium, but in general the book is remarkably free of inaccuracies of any kind.

At the conclusion of Chapter III is a quotation from *Modern Transport*, which the author has done well to place in a position of importance: " It is in the merging of staffs which were formerly antagonistic and in the co-ordination of methods of administration and operation which have for years been at variance that directorates of the four groups have met their greatest problem."

The difficulty of American railroad consolidation through the fact of one railroad's incorporation in many States is an important point made in Chapter IV, while in the same Chapter one finds the admiration of the British spirit of compromise exemplified by the agreements which avoided appeal to the Amalgamation Tribunal.

The methods of transfer of shares from the old to the new companies, and the reduction effected in capitalisation, are lucidly explained.

In Chapter V, the most brilliant in the book, Professor Kidd makes a good point in his explanation of the delayed use of machinery to replace hand labour as a consequence of the protective clauses of the Railways Act in regard to the dismissal of employees. He rightly emphasises the problem which arises from

the use of privately owned wagons, and deals in detail with the important savings effected through workshop reorganisation.

The book is most readable in form and lightened with humour in places. It quotes for example " of the wastage of 250,000 fish, thrown into the sea because, owing to failure on the part of the Minister, trucks were not supplied at a small port in Cornwall. On investigation it was found that there had never been a railway line within seven miles of the port! " It will be good reading for the general reader. In short, this little book is a most useful addition to economic literature, and the student will not only owe to the author a debt of gratitude, but one also to Sir Felix Pole, who was responsible for its production, and to the firm of Benn for its birth. It carries with it a reproach to British economists in that they had not already covered this field, and one cannot help feeling that it is in the nature of a tragedy that no important school of transport economics exists in any British university.

C. E. R. SHERRINGTON.

A Way of Order for Bituminous Coal. By W. H. HAMILTON and HELEN R. WRIGHT. George Allen and Unwin Ltd. pp. ix+ 365. 10s. net.

In a previous book, *The Case of Bituminous Coal*, these authors presented a diagnosis of the chronic ill-health of the bituminous coal industry in the United States ; in the present volume we have their prescription for the patient. In short, they advocate a scheme of unified ownership, and joint control by a directorate composed equally of representatives of the consumers of coal and of the miners, with an advisory board of technical experts. Their scheme is, as they state, an adaptation to the American coal industry of the proposals made by Professor Clay in 1919 for the British industry. The process of adaptation has not materially altered the main principles, nor are the difficulties and objections much diminished. In short, the British reader who is familiar with the pros and cons of the recent proposals for the government of industry in general and of the British coal industry in particular, will not gain much by reading this book. Presumably less attention has been paid in the U.S.A. to such ideas, and the book may thus serve a useful purpose over there. But even so it is somewhat diffuse and long-winded, and the authors would perhaps have been better advised to refer the reader to their previous volume for the analysis rather than attempt to repeat it in summary form, and to have put forward their constructive proposals shortly and concisely, possibly even in pamphlet form. J. W. F. ROWE.

A History of Modern Philosophy. By HORATIO W. DRESSER, Ph.D. London: Allen and Unwin. 1928. 8vo. pp. xvi, 471. Price 15s. nett.

There are so few histories of philosophy actually written in English (as distinguished from translations of German and French books) that it is a pleasure to welcome Dr. Dresser's volume. Dr. Dresser begins his history with Bacon and brings it right down to Alexander, who is fortunately still among us. The considerable amount of space devoted to what may be called recent philosophy is one of the most valuable features of the book. Its useful and adequate bibliographies constitute another valuable feature, which students will more especially appreciate. Of course, like every other history of philosophy, Dr. Dresser's book is uneven, some parts are much better than others. Life is not long enough to make it possible for anyone to have a first-hand and expert knowledge of every system of modern philosophy. But one ought to be grateful to those who have the courage and the patience to attempt a history of philosophy at all. In any case, Dr. Dresser's *History of Modern Philosophy* may be recommended as a very serviceable introduction to the subject.

A. WOLF.

The Philosophy of Spinoza: The Unity of His Thought. By RICHARD MCKEON. Longmans, Green and Co. 1928. 8vo. pp. x, 345. Price 25s. net.

The celebration, in 1927, of the 250th anniversary of the death of Spinoza has given a certain impetus to the preparation and publication of books on that famous philosopher. Not many of them, however, are as important as this book by Dr. McKeon, of Columbia University. It is not exactly an introduction to the subject, for it is much too difficult for beginners. Nor is it without certain weaknesses. Many Spinoza experts will probably disagree with a number of Dr. McKeon's interpretations. Nevertheless, the book is a substantial contribution to Spinoza literature—" substantial " in every sense of the word. Dr. McKeon shows an extensive knowledge of the vast literature on the philosophy of Spinoza. And what is equally important, if not more so, is that he shows great independence of judgment and real penetration. The most characteristic feature of his treatise is expressed in its sub-title, " The Unity of His Thought." Throughout, Dr. McKeon lays stress on the systematic unity of Spinoza's philosophy, which always centres round the question, " How shall man live in order to realise his best potentialities? "

A. WOLF.

The New British Empire. By L. Haden Guest, M.C. Murray. 1929. ix+334 pp. 7s. 6d.

Dr. Guest has written a readable, though unsystematic, account of the impressions gained during a recent tour of the Empire, and succeeds in conveying a vivid idea of the physical and social characteristics of Canada and Australia, the two countries with which he is mainly concerned. He reveals a keen eye for significant details, which cannot fail to strike the imagination of the reader, and which help to illumine the problems of Empire settlement, past and present. The chapters on other areas, and in particular Imperial problems, are less satisfactory, being both extremely disconnected and rather superficial. The volume is chiefly to be recommended as a general introduction to the problem of Imperial migration. Vera Anstey

The Rise of the German Republic. By H. G. Daniels. Nisbet and Co. Ltd. Pp. vii+292. 15s. net.

Mr. Daniels' narrative covers the political and economic development of Germany since the defeat of 1918, and its chief topics are the November Revolution and the emergence of the Republican system of government, the attempted counter-revolution of the military, official and industrial leaders of the *ancien régime*, and the economic revival of which the settlement with Russia, and the reparations arrangements with the Allies, and the stabilisation of the mark, are the chief outstanding features.

This is a very capable piece of work, written without the intrusion of that political and economic jargon which makes such havoc of the style of more specialised works. It sketches the background of a German's civic life in the last few years lightly and completely. That is to say, it is a good introduction to any of the many topics which compose it. It is more the newspaper-reader's book than the student's, though many students will be grateful for its all-roundness. We are bound to say that the chapter on Weimar and the Constitution is not satisfying. After all, the Republican Constitution is the continuous organisation through the mould of which the life of the German Republic has to pass. The reactionaries themselves are reconciled to it, at least until a better tool for their purposes comes to hand. Mr. Daniels himself says this, and thinks that, all things considered, the Republic will endure. We think, therefore, that its organisation should have received a more detailed attention. On the whole, a book on an interesting topic, well written, well informed, and showing sound judgment. Herman Finer.

Henri de Man et la crise doctrinale du Socialisme. By ANDRE PHILIP. Gamber, Paris. 18 fr.

Thinking of those who are unable to make the effort of reading the 450 " very abstract and very laborious " pages of de Man's famous book on " the Psychology of Socialism," Professor Philip gives us here a lucid and easy summary of de Man's thesis. There is no criticism, but only exposition, often in the words of de Man himself, who revised the proofs and has given the book his *imprimatur* as a true statement of his doctrine. This " potted " de Man will be welcome to many, but should only serve as an introduction to the original.

R. H. SOLTAU.

Books and Pamphlets Received

(Books marked * are among those reviewed in this number; for a complete list of Book Reviews in this number, see page ii of cover.)

ANDRE ANDREADES and others: *Les Effets Economiques et Sociaux de la Guerre en Grèce.* Paris: Les Presses Universitaires de France, 35 fr.

M. K. ASHBY: *The Country School.* Milford, 6s.

THOMAS SOUTHCLIFFE ASHTON and JOSEPH SYKES: *The Coal Industry of the Eighteenth Century.* Manchester University Press, 14s.

RICCARDO BACHI: *La politica della congiuntura.* Rome: Bocca.

RICCARDO BACHI: *Sulla costruzione di barometri economici in Italia.* Milano: Sironi.

CHRISTOPHER T. BRUNNER: *Road versus Rail: the Case for Motor Transport.* Benn, 2s. 6d.

*GUSTAV CASSEL and others: *Foreign Investments.* Cambridge University Press, 15s.

J. H. CLAPHAM: *The Study of Economic History.* Cambridge: University Press, 1s. 6d.

HENRY CLAY: *The Problem of Industrial Relations and Other Lectures.* Macmillan, 12s.

G. D. H. COLE: *The Next Ten Years in British Social and Economic Policy.* Macmillan, 15s.

ALZADA COMSTOCK: *Taxation in the Modern State.* Longmans, 10s. 6d.

RONALD C. DAVISON: *The Unemployed: Old Policies and New.* Longmans, 10s. 6d.

KARL DIEHL: *Die Rechtlichen Grundlagen des Kapitalismus.* Jena: Fischer.

*HORATIO DRESSER: *A History of Modern Philosophy.* Allen and Unwin, 15s.

ELEANOR LANSING DULLES: *The French Franc, 1914-1928: The Facts and Their Interpretation.* New York: Macmillan, 27s.

W. G. EAST: *The Union of Moldavia and Wallachia, 1859.* Cambridge: University Press, 7s. 6d.

IFOR L. EVANS: *The British in Tropical Africa.* Cambridge: University Press, 12s. 6d.

SIDNEY BRADSHAW FAY: *The Origins of the World War.* 2 vols. New York: Macmillan, 37s. 6d.

RAYMOND FIRTH: *Primitive Economics of the New Zealand Maori.* Routledge, 25s.

FREDERIC B. GARVER and ALVIN HARVEY HANSEN: *Principles of Economics.* Boston, Mass., and London: Ginn, 13s. 6d.

W. J. GRAHAM and C. RUFUS REMEM: *Teacher's Manual for Accounting Method.* University of Chicago Press (London: Cambridge University Press, 15s.).

*T. E. Gregory: *Select Statutes, Documents and Reports Relating to British Banking*, 1832-1928. Oxford University Press, 2 vols., 21s.

*L. Haden Guest: *The New British Empire.* Murray, 7s. 6d.

Ludwig Hamburger: *Streik, Aussperrung und Berufsverbände im neuen englischen Arbeitsrecht.* Mannheim: Bensheimer.

Friedrich A. Hayek: *Geldtheorie und Konjunkturtheorie.* Wien: Hölder-Pichler-Tempsky, RM. 6.25 or Sch. 10.

Yandell Henderson and Maurice R. Davie (Eds.): *Incomes and Living Costs of a University Faculty.* Yale University Press (London: Milford, 9s.).

Elizabeth Ellis Hoyt: *The Consumption of Wealth.* New York: Macmillan, 8s. 6d.

G. B. Jathar and S. G. Beri: *Indian Economics.* Vol. II. Bombay: D. B. Taraporevala, Rs. 5.40.

J. M. Keynes and H. D. Henderson: *Can Lloyd George Do It?* The Nation and Athenæum, 6d.

*Howard C. Kidd: *A New Era for British Railways.* Benn, 7s. 6d.

Joseph Stagg Lawrence: *Stabilization of Prices.* New York: Macmillan, 21s.

Elizabeth van Maanen-Helmer: *The Mandates System in Relation to Africa and the Pacific Islands.* King, 15s.

*Richard McKeon: *The Philosophy of Spinoza.* Longmans, 25s.

L. C. Marshall (Ed.): *The Collegiate School of Business.* University of Chicago Press (London: Cambridge University Press, 20s.).

Charles S. Myers (Ed.): *Industrial Psychology.* Butterworth, 2s. 6d.

L. B. Namier: *The Structure of Politics at the Accession of George III.* Two volumes. Macmillan, 30s.

George O'Brien: *Agricultural Economics.* Longmans, 10s. 6d.

Giuseppe Ugo Papi: *Operazioni di "Portafoglio Estero" e "Corso" dei Cambi.* Roma: Tipografia delle Terme.

Coralie Parker: *The History of Taxation in North Carolina during the Colonial Period.* New York: Columbia University Press (London: Milford, 20s.).

Leo Pasvolsky: *Economic Nationalism of the Danubian States.* Allen and Unwin, 12s. 6d.

G. Ratner: *Agricultural Co-operation in the Soviet Union.*

Joseph Redlich: *Emperor Francis Joseph of Austria.*

David Ricardo: *Notes on Malthus:* Edited by J. H. Hollander and T. E. Gregory. Oxford University Press, 22s. 6d.

Edwin R. A. Seligman: *Double Taxation and International Fiscal Co-operation.* New York: Macmillan, 8s. 6d.

Sir Josiah Stamp: *Some Economic Factors in Modern Life.* King, 10s. 6d.

Edgar Thomas and C. H. Blagburn: *Economic and Financial Results on Five Dairy Farms.* University of Reading, 1s.

Edgar Thomas and C. H. Blagburn: *Economic and Financial Results on Three Arable-Sheep Farms.* University of Reading, 1s.

Sir Kingsley Wood: *Relief for the Ratepayer.* Ernest Benn, 1s. 6d.

The Agricultural Economics Society. *Proceedings of a Conference held at Wadham College, Oxford, July 6th-9th, 1928.* The Agricultural Economics Society, 2s. 6d.

Annual Survey of English Law, 1928. The London School of Economics, 10s. 6d.

Board of Trade : *Statistical Abstract for the United Kingdom . . . 1913 to 1927*. [Cmd. 3253]. H.M.S.O. 6s. 6d.

Die Wirtschaft des Auslandes, 1900-1927. (Einzelschriften zur Statistik des Deutschen Reichs, Nr. 5). Berlin : Reimar Hobbing, M.28.-.

Fifteenth Report on the work of the National Insurance Audit Department, 1928. H.M.S.O., 9d.

Final Report of the Committee on Industry and Trade. H.M.S.O., 5s. 6d.

Freedom of Association. Volume IV. Geneva : International Labour Office (London : King, 5s.).

Problems of Peace (Third Series) : Lectures delivered at the Geneva Institute of International Relations, August 1928, Milford, 10s. 6d.

Reparation Commission : *Official Documents XIXa*. H.M.S.O., 3s.

Report of the Commission on Closer Union of the Dependencies in Eastern and Central Africa. [Cmd. 3234]. H.M.S.O., 6s.

Seventy-First Report of the Commissioners of His Majesty's Inland Revenue. H.M.S.O., 2s.

Trade Unions Study Unemployment. Washington, D.C. : American Federation of Labor. $0.35.

We Can Conquer Unemployment. Cassell, 6d.

Year Book of Agricultural Co-operation in the British Empire, 1929. Routledge, 10s. 6d.

List of Theses in Economics and Allied Subjects in progress in Universities and Colleges in Great Britain and Northern Ireland

THE following is the fifth annual list of theses in preparation at the various universities, and includes those mentioned in the fourth annual list (June, 1928) which have been completed, those which are believed still to be in progress, and theses registered during the past twelve months. Researches are included which are not intended to be presented for degrees, It is the hope of the editors that such lists will prevent overlapping and will help students in similar fields to know one another.

The list below gives, in the following order, where possible, the name of the student, the place of his graduation, the title of his thesis, the probable date of completion and, in italics, the university or college at which he is preparing it, but where the information received was incomplete, one or more of these items have been omitted. The initials L.S.E. are printed throughout for the London School of Economics and Political Science, University of London.

Economics (Descriptive and Analytical)

VERA ANSTEY. L.S.E. India, an economic unit in the making. 1929. *L.S.E.*

J. M. BANNERMAN. A comparison of the extent to which machinery in agriculture can influence the efficiency and standard of living of rural labour in Great Britain and the U.S.A. *Oxford.*

H. E. BATSON. L.S.E. The charges of public utility services: a legal, administrative and theoretical survey. 1930. *L.S.E.*

Sir WILLIAM H. BEVERIDGE. Oxford. The interpretation of prices. 1930. *L.S.E.*

RUBY BROOK. Bangor. The evolution of direct taxation in the U.K. from 1815 to 1914. 1930. *Bangor.*

R. M. CAMPBELL. New Zealand. Preferential tariffs in the British Empire. 1929. *L.S.E.*

Y. T. DESAI. Poona. Co-operative marketing with special reference to agriculture. 1930. *L.S.E.*

SIAO M. DJANG. New York; Chicago. Woman in the English co-operative movement. 1929. *L.S.E.*

D. L. DUBE. Allahabad. Indian public debt. 1930. *L.S.E.*

A. ESSEX-CROSBY. L.S.E. British joint stock company organisation. 1932. *L.S.E.*

D. E. EVANS. Cardiff. The British income tax before 1900 in the light of legislation passed, public enquiries held and literature relating to the subject. 1929. *L.S.E.*

E. A. Forsey. Oxford. The economics of migration, with special reference to Canada. *Oxford.*

S. H. Frankel. Witwatersrand. South African railway policy in relation to the development of primary industries. Completed. *L.S.E.*

T. Hsien Fu. Nankai. Problems of Chinese public finance. 1929. *L.S.E.*

R. S. Gibson. Melbourne. Economic effects of the British unemployment scheme. 1929. *Manchester.*

Annie M. Happold. The economic effects of housing subsidies. 1929. *Manchester.*

N. H. Hemsley. London. The utility of present banking statistics in the investigation of economic phenomena. 1932. *L.S.E.*

B. Kaul. Allahabad. Some aspects of the population problem in Burma. 1929. *L.S.E.*

A. S. Kerry. Washington. Some aspects of the concentration of industry. 1930. *L.S.E.*

H. Lall. Punjab; California. A study of agricultural credits before and since 1913 in U.S.A. 1929. *L.S.E.*

H. J. Liddington. L.S.E. The reciprocal influences of economics and accountancy. 1930. *L.S.E.*

Phyllis A. Manning. Manchester. The relations between skilled and unskilled labour with special reference to the lessening margin of pay between the two. 1929. *L.S.E.*

L. G. Marsh. L.S.E. Modern factors affecting the mobility of labour in Great Britain. 1930. *L.S.E.*

J. M. Mehta. Bombay; Oxford. A study of the rural economies of Gujarat, with special reference to the possibilities of reconstruction. 1929. *L.S.E.*

Frederica L. Mulholland. New Zealand. The taxation system of New Zealand, from the 'nineties. 1930. *L.S.E.*

J. P. Niyogi. Calcutta. The evolution of the income tax in India, 1860-1922. 1929. *L.S.E.*

M. T. Ohn. L.S.E. The westernisation of transport methods in Burma. 1929. *L.S.E.*

S. V. C. Parris. L.S.E. Some economic aspects of municipal enterprise. 1930. *L.S.E.*

G. A. Pavlovsky. Imperial University of New Russia, Odessa. The economics of Russian farming with particular reference to the years 1900-16. 1929. *L.S.E.*

G. J. Ponsonby. Cambridge. The true economic spheres of road and railway transport. 1931. *L.S.E.*

L. Rasminsky. Toronto. Some aspects of Neo-Mercantilism. 1930. *L.S.E.*

J. W. F. Rowe. Cambridge; L.S.E. The conscious control of raw material supplies. 1930. *L.S.E.*

F. A. Ruler. L.S.E. The financial policy of joint stock companies since the War. 1930. *L.S.E.*

G. S. Saksena. Lucknow. Detrimental factors in Indian agriculture. 1930. *L.S.E.*

B. Samuel. Cardiff. Capital issues in relation to the trade cycles. 1932. *L.S.E.*

N. Sanyal. Calcutta. The development of Indian railways. 1929. *L.S.E.*

J. B. Seymour. Hamilton College. (N.Y.); Stanford (Cal.). Juvenile unemployment. 1930. *L.S.E.*

Sybil Simpson. Manchester. Extent and cause of the divergencies of agricultural prices from the general trend of prices since 1920. 1929. *Manchester.*

D. T. Smith. Stanford (Cal.). Foreign financing in the Far East. 1930. *L.S.E.*

W. A. Tinnock. L.S.E. The history, development and problems of the rubber industry, with special reference to the financial side. 1930. *L.S.E.*

G. Tuckerman. Wisconsin; Missouri. Some aspects of monetary theory. Completed. *L.S.E.*

V. Vasile. Roumania. A comparative study of the Roumanian and British systems of taxation. 1930. *L.S.E.*

S. P. Viljoen. Cape Town. The method of political economy and its relation to the social sciences. Completed. *L.S.E.*

G. J. Walker. The co-ordination of road and rail transport. *Oxford.*

Doreen Warriner. Oxford. Combination in certain German industries since the War. 1930. *L.S.E.*

F. A. Wells. Nottingham. The hosiery trade. 1929. *L.S.E.*

R. Wilson. The import of capital. *Oxford.*

J. Wyllie. Glasgow. The economics of milk production. 1930. *L.S.E.*

N. A. J. Zainabi. Allahabad. The social and legal position of the tenantry in the United Provinces of India. Completed. *L.S.E.*

Economic History

M. A. Abrams. L.S.E. Gold and silver thread monopoly under the Stuarts. 1929. *L.S.E.*

G. C. Allen. Birmingham. The industrial development of Birmingham and the Black Country, 1860-1927. Completed. *Birmingham.*

G. P. Ambrose. The Levant Company after 1640. *Oxford.*

A. Beardwood. The legal and economic relations between alien merchants and the central governments in England, 1350-1377. *Oxford.*

N. H. Booth. Hours of work in the coal-mining industry of Great Britain since the early part of the nineteenth century, with special reference to Northumberland and Durham. *Oxford.*

Sybil Campbell. Cambridge. Usury of the eighteenth century with special reference to the purchase and sale of annuities. 1929. *L.S.E.*

T. K. Derry. The influence of legal decisions upon the decay of the Elizabethan industrial code, 1563-1814. *Oxford.*

W. C. Dickinson. St. Andrews. The administrative history of Scotland from the reign of David I to the union of crowns in 1603. Completed. *L.S.E.*

A. T. Flight. L.S.E. Social legislation relating to mining: nineteenth century. 1929. *L.S.E.*

A. D. Gayer. Unemployment in British industries, 1815-50. *Oxford.*

M. H. Gopal. Mysore; Bombay. The financial history of Mysore State. 1929. *L.S.E.*

T. P. Gunton. L.S.E. The effect of economic changes on educational practice since 1800. 1929. *L.S.E.*

Bertha Hall. L.S.E. The financial activities of Pallavicino and certain other Italian financiers under Elizabeth. Completed. *L.S.E.*

G. M. Hipkin. The social and economic condition of the Holland Division of Lincolnshire, 1642-1660. *Oxford.*
P. C. Kimball. The monetary reform of 1821. *Oxford.*
F. Machin. Labour organisation of miners in South Yorkshire from 1858 to 1914. *Oxford.*
H. Miles. The coventry silk ribbon industry from the introduction of the use of the Dutch Engine (c. 1770) to the Cobden Commercial Treaty. *Oxford.*
G. E. Moxton. Edinburgh. The " Marchmont Popes." 1930. *Edinburgh.*
Annie M. Millard (*née* Taylor) London. The organisation and development of the silk industry in the seventeenth century. 1930. *L.S.E.*
G. S. Mitchell. The modern development of the textile trade unions of Great Britain. *Oxford.*
C. R. Oldham. Oxford. The poor law system in Oxfordshire from 1770 to 1830. *Oxford.*
Monica G. Page. Southampton. The migration of women workers, 1760-1914. 1930. *L.S.E.*
I. D. Parshad. Punjab. Some aspects of Indian foreign trade 1757-1893. Completed. *L.S.E.*
Ivy Pinchbeck. Nottingham. The work of women in agriculture, 1760-1845, and the influence of the agrarian revolution thereon. 1929. *L.S.E.*
M. M. Postan. Odessa; Petrograd; L.S.E. The antecedents of modern capitalism: the organisation and financing of medieval trade. 1930. *L.S.E.*
D. W. Roberts. L.S.E. The history of the Corn Laws, 1815-1846. 1929. *L.S.E.*
T. H. Robinson. The Amalgamated Engineering Union. *Oxford.*
C. R. Sanderson. L.S.E. The history and functions of Chambers of Commerce in England in the 19th century. 1932. *L.S.E.*
J. J. Senturia. Washington. Workers' education movement in Germany, England and the United States. 1930. *L.S.E.*
H. Stanners. L.S.E. Social life in towns in England other than London, 1800-1830. 1929. *L.S.E.*
G. H. A. Stephens. Wage rates, 1750-1800. *Oxford.*
G. Taylor. Manchester. The land question in the seventeenth century. 1931. *L.S.E.*
J. H. Thomas. Town sanitation in the sixteenth century. *Oxford.*
H. Tout. Industrial disputes in the U.K. from 1888 to 1914. *Oxford.*
S. P. Turin. Moscow. The history of the Russian labour movement with special reference to trade unionism. 1930. *L.S.E.*
Dorothy M. B. Woodhead. Liverpool; L.S.E. Alien immigration in England from the Revocation of the Edict of Nantes to 1750. 1929. *L.S.E.*

Economic Geography

E. R. Dudlyke. Aberystwyth. Economic geography of the milk supply of London. 1929. *L.S.E.*
P. M. McNamara. L.S.E. Inter-relation between geographical factors and population decline in Ireland since the famine of 1845-7. 1931. *L.S.E.*
D. J. Price. L.S.E. The Swansea district of the South Wales coalfield. 1929. *L.S.E.*

C. J. Robertson. Edinburgh. The sugar trade—a study in economic geography. 1929. *L.S.E.*
P. C. Waite. L.S.E. The Tweed Valley. 1930. *L.S.E.*

Currency and Banking

N. Barou Kiev. International banking (with special reference to co-operative and Russian banking) and foreign trade. 1931. *L.S.E.*
S. K. Dey. Calcutta. The methods and economic and social consequences of the currency stabilisations of recent years. 1930. *L.S.E.*
S. K. Karwanker. Bombay. India and the problem of a central bank. 1930. *Bangor.*
J. Kipps. Valorisation under public auspices. *Oxford.*
C. S. Richards. Durham. South African banking, currency and exchange since the Union. 1930. *L.S.E.*
S. F. Simpkins. L.S.E. Modern European banking with special reference to the position in France and Germany since 1914. 1931. *L.S.E.*
P. Singer. Vienna; L.S.E. The functions and structure of banking. 1929. *L.S.E.*

Commerce

J. E. Blundell. Birmingham. The horticultural industries of Worcestershire. Completed. *Birmingham.*
C. Bottomley. Manchester. The problem of juvenile labour in Warrington. 1930. *Manchester.*
T. H. Burnham. Reading; Sheffield. A study of the development of the British iron and steel industry in relation to development in other countries. 1930. *L.S.E.*
C. A. Cooke. Manchester. The historical development of the English needle and pin industries, with special reference to the Redditch district. 1930. *Manchester.*
May G. Douglas. L.S.E. The present economic position of raw wool. 1930. *L.S.E.*
F. R. Gamble. Manchester. The commercial organisation of the Lancashire cotton trade. 1930. *Manchester.*
H. Housley. Manchester. The organisation of the felt hat industry in Lancashire and Cheshire. 1929. *Manchester.*
D. G. Mateescu. Bucharest. The economic organisation of the Rumanian oilfields, with special reference to the problems of international competition. Completed. *Birmingham.*
Hilda R. Ormsby. L.S.E. European waterways. 1929. *L.S.E.*
G. R. Panait. Bucharest. An examination of the Roumanian foreign trade. 1930. *L.S.E.*
A. F. du Plessis. Cape Town. The world production and marketing of wool. 1930. *L.S.E.*
Jean van der Poel. Cape Town. Railway and customs policy of the South African States and Colonies (1885-1910). 1929. *L.S.E.*
N. Skene Smith. L.S.E. Economic control in the Dominions, with special reference to Australia. Completed. *L.S.E.*
Elizabeth Stoffregen. Smith College. Government control of raw materials. 1930.

F. J. DU TOIT. Stellenbosch. Principles of marketing as applied to South African export trade of primary products. 1930. *L.S.E.*

A. TREVILLION. Manchester. Changes in the organisation of the British printing industry since 1880. 1929. *Manchester.*

Sociology

J. E. BULSARA. Bombay. A comparative study of some aspects of ritual in the simpler and more developed religions. 1929. *L.S.E.*

J. H. DRIBERG. Oxford. A comparative study of age grades. 1929. *L.S.E.*

S. MARTINEZ DE ALVA. Washington. Sociological and economic conditions in Mexico. 1931. *L.S.E.*

HORTENSE POWDERMAKER. Goucher. A sociological study of leadership in primitive society. Completed. *L.S.E.*

AUDREY I. RICHARDS. Cambridge. The " natural man " : historical and biological conceptions. 1929. *L.S.E.*

J. RUMYANECK. L.S.E. Jewish population movement in England since 1800. 1929. *L.S.E.*

I. SCHAPERA. Cape Town. The concept of social personality in primitive society : a study of the relations between the individual and the society in primitive communities as expressed in ritual, law, rights of property, *mana*, etc. 1929. *L.S.E.*

F. C. WEI. Boone, China; Harvard. A study of the Chinese moral tradition and its social values. 1929. *L.S.E.*

T. J. A. YATES. Cambridge. Methods and principles of applied anthropology. 1931. *L.S.E.*

Political Science

DOROTHY S. BAKER. L.S.E. English public health from 1848 to 1875. 1931. *L.S.E.*

C. W. BUCKBY. L.S.E. A comparative study of the various systems of economic development in East Africa. 1931. *L.S.E.*

HILDA CLARK. Birmingham. Treaties providing for exchange or migration of populations and their effect on minority problems. 1929. *L.S.E.*

F. R. COWELL. London. State publishing : its methods and problems. 1932. *L.S.E.*

A. K. DAS. Calcutta ; North-western. The development of responsible government in the Philippines and India. 1929. *L.S.E.*

W. G. K. DUNCAN. Sydney. Immigration policies, Australian and American. 1929. *L.S.E.*

T. P. EVANS. Oxford. The methods adopted by the Council of the League of Nations for the settlement of international differences referred to it in pursuance of the terms of the Covenant. 1929. *L.S.E.*

F. K. FU. Peking. The economic background of European diplomacy since the Great War. 1929. *L.S.E.*

D. A. HARTMAN. Western Reserve ; Harvard. The press and the modern state. 1930. *L.S.E.*

H. A. HODGES. The basis of the study of history and society with special reference to the work of Dilthey. *Oxford.*

V. M. ITTYERAH. The development of political institutions in the State of Travancore, 1885-1924. *Oxford.*

B. C. L. JAMES. Oxford. Political theory and education. 1929. *L.S.E.*

B. Joseph. McGill; Montreal. Nationality, its meaning, origins and growth. Completed. *L.S.E.*

T. J. Kiernan. Dublin. The history of the financial government of Ireland. 1929. *L.S.E.*

A. J. Kraus. The organisation of power in modern society. *Oxford.*

M. B. G. Lal. Benares. The problem of Indian federation. 1929. *L.S.E.*

A. C. Mason. London. The development and significance of the ideas realised in the British Empire with some reference to the relations (especially in the matter of political ideas) between the Empire and the U.S.A. 1932. *L.S.E.*

V. K. Krishna-Menon. Madras; L.S.E. The State as the subject of law. 1929. *L.S.E.*

Lucy P. Mair. St. Andrews, Cambridge. Problems of native labour. 1930. *L.S.E.*

W. Milne-Bailey. Cambridge. Trade unionism and the state. 1930. *L.S.E.*

W. G. Pendrill. London. The operation of public utility services. 1929. *L.S.E.*

H. K. Prescot. The economic and political theory of William Godwin and his debt to French thinkers. *Oxford.*

V. C. Ramsaran. College of City of New York. The internal constitution of the British Crown Colonies and Protectorates comparatively studied. 1929. *L.S.E.*

E. E. Rich. Cambridge. The attitude of English public opinion in the nineteenth century to state education. 1930 *L.S.E.*

Norah E. Skrimshire. L.S.E. The evolution of international institutions. 1930. *L.S.E.*

J. E. Smart. Manchester; Oxford. Educational administration with special reference to boroughs and county boroughs. 1929. *L.S.E.*

D. O. Soper. Cambridge. Edmond Richer and the revival of Gallicanism, 1600-1630. 1929. *L.S.E.*

L. F. W. White. L.S.E. The history of education in England with special reference to the period 1902-18. 1929. *L.S.E.*

Law

B. F. Brown. The law of trusts in the eighteenth century. *Oxford.*

F. A. Enever. Cambridge. The history of the law of distress for rent and damage feasant. 1929. *L.S.E.*

M. H. Fahmy. Cairo. School of Law. The legal principles governing the international status of Egypt. Completed. *L.S.E.*

A. Gamal el Din. Sheffield; Cairo School of Law. Extension of international Law to ex-European States. 1929. *L.S.E.*

A. L. Haslem. The law relating to combinations. *Oxford.*

H. J. S. Jenkins. Oxford. An historical and comparative study of the rules of English laws with respect to service out of the jurisdiction. 1930. *L.S.E.*

J. R. Keeley. Dublin. The effect of war upon private enemy property. 1929. *L.S.E.*

F. S. Li. International law as applied to civil war. *Oxford.*

G. May. Harvard. The effect of the criminal law upon the present legal constitution of the family. 1930. *L.S.E.*

J. C. Morris. London. The history of the law of mortgages of land in England. 1930. *L.S.E.*

A. Nekam. Budapest. A comparative study of the legal status of trading associations. 1929. *L.S.E.*

D. H. Parry. Aberystwyth; Cambridge. A history of English law in Wales, 1282-1601. 1930. *L.S.E.*

A. M. M. A. A. Siddiqi. Allahabad. History of the development of mercantile law in India. Completed. *L.S.E.*

Miscellaneous

Sybil Honikman. Cape Town. Some aspects of the philosophy of Spinoza. 1930. *L.S.E.*

S. E. Lewis. Bangor. Anglo-German relations from 1898 to 1906. 1930 *L.S.E.*

M. S. Modak. Bombay. The Vedanta and Spinoza: a comparative study. Completed. *L.S.E.*

A. E. Weiss-Long (Mrs.). Vienna. A survey and psychological classification of muscular skill and dexterity used in vocational guidance and selection in different countries. 1929. *Manchester.*

Theses Abandoned

A number of research students have withdrawn their candidature for higher degrees during the past twelve months and as far as is known the subjects of their researches are now unappropriated. A list of these subjects is appended.

Science and technology in the industrial revolution.

The feeding of medieval towns.

The development of public education since 1870.

British investment trusts.

A comparative study of the development of trade combinations in the cotton and woollen industries of Great Britain, the United States, France and Germany.

Tariff history of New Zealand.

The Chinese family.

The effects of the contact of European civilisation on the economic and political organisation of Egypt.

The family in an industrial society.

The history of the idea of dictatorship.

The history and present position of professional organisation in Great Britain.

The influence of industrial organisations on international peace.

Critics of democracy from 1840 to 1880 (approximately), Carlyle, Arnold, Stephen, Maine, Lecky.

Comparative customs and excise internal administration.

Indian bureaucracy.

Psychological influences on political theory.

Contact by carriers in India.

School Notes

Studentships

A School of Economics Research Studentship on the Ratan Tata Foundation, of the value of £200, in addition to fees, tenable for one year with a possible extension to two years. The holder will be required to investigate and write a report on some contemporary social or industrial problem connected with the life and labour of the working classes. Last date of entry, September 12th, 1929.

A School of Economics Research Studentship, of the value of £200 a year, in addition to fees, tenable for two years. Candidates are asked to submit either published work, prize essays, or written work bearing their names, or a detailed scheme of research on the subject proposed for investigation. The studentship is intended to promote the execution by graduate students of definite pieces of original work in Economics or Political Science. Last date of entry, October 12th, 1929.

A Studentship for Women, of the value of £150 a year, in addition to fees, tenable for two years, open to women graduates (or others considered to possess the necessary qualifications for research). The studentship is intended to promote the execution of definite pieces of original work, preferably in Economic History, or, if no suitable candidate is forthcoming in that field, in some branch of Social Science. Last date of entry, September 12th, 1929.

Staff

The following appointments have been made to take effect as from August 1st, 1929:

Mr. John Coatman, B.A. (Manchester), B.A. (Pembroke College, Oxford), to be University Professor of Imperial Economic Relations.

Mr. L. Robbins, B.Sc. (Econ.) (London), Fellow of New College, Oxford, to be University Professor of Economics.

Mr. W. A. Robson, B.Sc. (Econ.), LL.M., Ph.D., to be part-time Lecturer in Industrial Law.

Mr. K. B. Smellie, B.A., to be Lecturer in Public Administration.

Mr. W. I. Jennings, M.A., LL.B., St. Catherine's College, Cambridge, to be Lecturer in Law.

Miss G. A. Gill-Mark, M.A. (Girton College, Cambridge), and Mr. W. F. Mainland, M.A. (Edinburgh) to be assistants in Modern Languages.

Mr. G. Ponsonby, B.A. (Trinity College, Cambridge), to be Assistant in Transport.

Mr. H. E. Batson, B.Sc. (Econ.), to be Assistant in Economics.

Resignations and Retirements

Professor Edward Jenks, M.A., D.C.L., retires from the Chair of English Law as from July 31st, 1929.

Professor P. Noel Baker, M.A., retires from the Sir Ernest Cassel Chair of International Relations as from July 31st, 1929.

Mr. C. E. R. Sherington, M.A., resigns Lectureship in Transport as from June 30th, 1929.

Mr. F. Brown, B.Sc. (Econ.), resigned Assistantship in Statistics as from May 31st, 1929.

Miss Winifride Hunt, B.Sc. (Econ.), resigns Demonstratorship in Geography as from July 31st, 1929.

DEATHS.

The School records with regret the deaths of:

The Rt. Hon. The Earl of Rosebery, K.G., K.T., Chancellor of the University of London since 1902, a Governor of the School since 1902, and elected an Honorary Governor in February 1929.

Professor L. T. Hobhouse, M.A., D.Litt., LL.D., Martin White Professor of Sociology since October 1907.

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Address by Professor Graham Wallas at the Hobhouse Memorial Service, St. Clement Dane's Church, June 27, 1929

A WEEK ago, none of us thought that Leonard Hobhouse's work was finished. We knew that his health was frail, but we also knew that he had arranged to continue his lectures at the School of Economics for another year; and we hoped that, after his work at the school was over, he would have many years in which to complete and drive home his social philosophy. Now his work is done. He has left his books, with their wide influence upon philosophic thought in England and America and in many countries of the world. He has left for his students the memory of his teaching, and for us all the inspiration of his personality.

Hobhouse was trained by a type of education now much rarer than it was fifty years ago. He was the son of a West Country clergyman; and he was sent to a strictly classical public school in order that by his knowledge of Latin and Greek he might gain a university scholarship, and perhaps later on a fellowship. At Marlborough he reached the head of the school, and in 1883 he came up to Corpus Christi College, Oxford, as a classical scholar. He was at once one of the leading scholars of his year. He took a brilliant first-class, both in Moderations and in the Greats school of ancient philosophy, and almost at once became first a Fellow and then Fellow and Greats-tutor of his college.

The old classical curriculum has fallen out of favour because in many cases it produced narrow verbal scholars or narrow metaphysical dialecticians; but to Hobhouse at Oxford the Athenian philosophers were real persons, and their penetrating inquiries as to the significance of human life still all-important and still unsolved. This fact helped to give him success in the University examinations, but it also prevented his success from satisfying him. When, in 1887, he became an Oxford teacher, he had before him the most delightful form of living that can be found in the world. He married happily. His post required him for half the year to teach the most interesting of all subjects to picked students

in the loveliest city of the world, and left him half the year for travel or personal work. In Oxford men value good talk, and Hobhouse was an admirable talker, with a special gift for mimicry.

But even as an undergraduate the outside world called him. He belonged to a very striking group of undergraduates, who, almost for the first time, associated as friends and colleagues with self-respecting working men. A generation before, Ruskin, in order to teach Oxford students to appreciate the dignity of labour, had led them out on the Hinksey marshes and made them construct a road without foundations, which sank into the mud and was forgotten. Hobhouse and his friends, who were deeply influenced by John Burnett, used to go round the villages helping in the task of trying to organise the Oxfordshire agricultural labourers.

In 1897 he was asked by Mr. C. P. Scott to join the staff of the *Manchester Guardian*. Here, for the first time, he became an anonymous journalist, and those who were there tell that when he was asked to write his first leader at once and to order he wrote it with the same ease and force and finish with which he wrote leaders to the end of his life. When he reached Manchester, we were on the point of that complication in South Africa which led to the Boer War. Hobhouse objected intensely to the policy which led to that war, and he fought against it hard, in the *Manchester Guardian* and elsewhere, with the kind of passion which a sensitive man feels when he believes that his own country which he loves is doing wrong.

He came to London in 1902, and worked at systematic philosophy, having already published that very remarkable book *Mind in Evolution*. He began to use the word "sociology" as expressing his combination of metaphysical interest with practical interest in social machinery. In 1907 he became Martin White Professor of Sociology at the London School of Economics; but he kept up his connection with the *Manchester Guardian* to the end. In his home, at Highgate, one used to hear him dictating on the telephone those leaders which added so much influence to that admirable newspaper. He was appointed chairman of several trade boards, and everyone he had to deal with was astonished at the judicial power, the grip, independence of mind, and careful sympathy which he showed in that work. He was a philosopher working in the real world.

A man of extreme sensitiveness, working throughout a generation when the whole world suffered, life for him was no easy task, and, as the years went on, some of the joy and elasticity of life

seemed to be lost. He said himself that the Great War had left him an old man.

In some ways Hobhouse's life at Oxford and the circumstances of his leaving Oxford are curiously like the life of that brilliant classical student Arthur Hugh Clough, of whom Arnold wrote :

> Thyrsis of his own will went away.
> It irk'd him to be here, he could not rest . . .
> Some life of men unblest
> He knew, which made him droop, and fill'd his head.
> He went ; his piping took a troubled sound
> Of storms that rage outside our happy ground.

Arnold in that poem described the sadness which may come upon a man who has chosen the life of philosophy.

> And long the way appears which seemed so short
> To the less-practised eye of sanguine youth ;
> And high the mountain-tops, in cloudy air,
> The mountain-tops where is the throne of Truth,
> Tops in life's morning-sun so bright and bare!
> Unbreachable the fort
> Of the long-battered world uplifts its wall.

And in lines that follow he speaks of the ultimate consolation of philosophy :

> This happy quest,
> If men esteem'd thee feeble, gave thee power,
> If men procured thee trouble, gave thee rest.

Again, in a passage which seems especially addressed to us in London, the poet says :

> Then through the great town's harsh, heart-wearying roar,
> Let in thy voice a whisper often come,
> To chase fatigue and fear :
> Why faintest thou ? I wander'd till I died.
> Roam on ; the light we sought is shining still.

Hobhouse's memory offers a warning to students against the danger that, in our study for purposes of examination and in preparation for professional life we may mistake means for ends. In each generation of students at the School of Economics some men and women, because of his example, may accept the age-long call to philosophy, and may take up the task of seeing and feeling, and helping others to see and feel, the significance of the

whole human fate, and helping, it may be, by understanding to control it. Their work will be done as Hobhouse's main work was done, not in a delightful Oxford study, but in the midst of a great industrial city, where success is only to be obtained at the price of constant disappointment.

Yet, when the end comes to each of us, as it has come to our friend, we shall feel, as Hobhouse and all philosophers have felt, that to those whom philosophy has called, no other life seems worth living.

It is written in Ecclesiasticus, in the words that have been read to-day—

> Wisdom . . . taketh hold of them that seek her.

Wisdom took hold of Leonard Hobhouse.

The Contribution of Professor Hobhouse to Philosophy and Sociology[1]

By Morris Ginsberg
(*Reader in Sociology in the University of London*)

The driving force of Hobhouse's thought was an ardent humanitarianism, an intense desire to serve mankind, by bringing to bear upon the problems of human life the methods and principles of rational thought. Quite early in his career as an undergraduate at Oxford (1883-87), he became convinced that an adequate understanding of social problems could be reached only on the basis of an underlying philosophy, and throughout his work the philosophic spirit, the urgent demand for an all-round or synoptic view characterised both his treatment of scientific data and his handling of practical affairs. His passion for humanity and justice gave him tremendous energy and driving power, while his love of truth and rare intellectual candour and willingness to profit from criticism and experience led him to ever fresh fields of investigation and ever deeper analysis of the foundations of knowledge. He illustrates in his life work his own view of reason as a continuous and comprehensive effort towards harmony in experience, whether in the field of practice or speculation, and those who saw him at work, whether as a teacher, journalist or chairman of trade boards, will have recognised in his endeavours the very same spirit which in other fields was exhibited in his persistent attempts at wider and more inclusive syntheses of the results of empirical research and metaphysical speculation.

The formative influences in his early career were the work of Spencer, the positivism of Comte (especially as interpreted by Bridges), and the social philosophy of Mill and Green. From Spencer he inherited the ambition for a philosophy which should be a synthesis of all the sciences, though he came to see that such a synthesis does not exhaust the entire field of philosophy, which, in his view, should include not only the scientific interpretation of reality, but every sort of appreciation of the real which conformed

[1] Public Lecture delivered at the London School of Economics and Political Science on the 5th November, 1929.

to rational tests. From Spencer, too, he obtained the evolutionary bias, though he soon discovered that a more thorough examination of the results of the evolutionary sciences than was achieved by Spencer would be required, before they could be made the basis of an evolutionary philosophy.

More important perhaps was the influence of Comte, one of the founders of modern sociology. Like Comte he stresses the inter-connection of social phenomena, and the consequent need for a science of society which should give a *vue d'ensemble* of social life. Like Comte he regards the idea of development as central in sociology, and like him again he came to formulate a generalisation expressing a relation between the growth of mentality as exhibited in science, art, and industry and the various forms of social organisation. With Comte he considers the emergence of sociology as a positive science as a crucial point in the history of man which as it matures should render increasingly possible an expansion of the area of conscious control over the trends of human development. He shares with Comte again a kind of religious humanitarianism. Humanity, not as a collective concept including all men and women, but as a spirit working in them, a spirit of harmony and expanding life and shaping their best actions, appeared to Hobhouse as it did to the best Positivist writers, as the highest incarnation known to us of the Divine. Yet despite all these resemblances the differences are no less profound, and necessitated indeed in Hobhouse's view a complete transformation and re-interpretation of the Comtean philosophy.

These differences can only be understood in the light of Hobhouse's attitude to the philosophy of the British Idealists which was dominant at Oxford and in the English and Scottish Universities generally in the eighties and the early nineties. While sympathising with the Idealist school in their emphasis on spiritual development as a fundamental principle of the world order, while agreeing with them in stressing the organic nature of society as against the barren individualism of Spencer and his followers, he was never able to accept the view which reduces all reality to forms of the spiritual. "When everything is spiritual," he says, "the spiritual loses all distinctive significance," and he felt in particular that the idealists never faced the central difficulty of the existence of error and evil. The spiritual principle could not, he thought, be regarded as coextensive with reality nor even as the ground of reality. It is rather the principle of orderly development within the world order, a force making for growing harmony but limited by the material it works upon and

closely conditioned in its purposes by the existence of conflict and indifference among the elements of the real in so far as they are unco-ordinated. These convictions led Hobhouse to epistemological investigations (*Theory of Knowledge*, 1896), which resulted in what may be termed an organic view of rationality that was to be the basis of all his future work. This has affinities with idealist metaphysics (especially as worked out by Bosanquet) but is essentially realistic in its interpretation of the nature of knowledge. Accordingly, though Hobhouse was impressed by Green's notion of a spiritual principle realising itself in the finite consciousness, he was unable to accept the epistemological arguments upon which Green based his view. Green was led to his conclusions by a re-consideration of the Kantian theory of knowledge. He argued that our knowledge of objects implied the reality of some unifying principle amidst the flux of fleeting impressions, something permanent amidst the variable manifold of sense experience, and he maintained that this permanent was essentially a system of relations, which again in his view was unintelligible except on the assumption of a combining or relating activity, a single eternal consciousness, of which particular existents were limited manifestations. This reasoning Hobhouse was unable to accept. He was convinced that the idealists, in their development of Kant's theory, in their insistence that even in sense awareness relations were already involved, had cut the ground not only from Kant's feet but from their own. If the relationless sense datum was a figment, there appeared to be no reason for ascribing relations to the work of the mind. The whole notion of knowledge as a making or constructing appeared to Hobhouse fallacious. In knowledge we recognise things as combined or related but we do not create the relation through the act of knowing. But though Hobhouse repudiated Green's epistemological arguments for an eternal and timeless spiritual principle, it yet appeared to him that an empirical study might be made of the growth of mind, with the object of determining its role in evolution and that this might lead to a transformation at once of the Hegelian view of development and of the evolutionary theories of the scientific naturalists, and to an empirically founded conception of a self-directing humanity akin to that held by Comte and the Positivists.

But if Hobhouse's realism separated him from the Idealists, it separated him equally from Comte. He recognised that Comte's repudiation of metaphysics as merely a transient stage in the growth of thought, valuable only as a solvent of theology, was

not only based on an inadequate notion of the function of metaphysics, but itself implied an unconscious metaphysics. For the distinction between phenomena and reality, the denial that ultimate causes can be known, the repudiation of problems of origin and purpose really rested on metaphysical considerations due to Kant and Hume, and were, therefore, themselves not exempt from metaphysical scrutiny and criticism. The positive method in other words should be applied to knowledge itself, and all concepts including epistemological ones be referred back to experience and tested by their power of correlating and co-ordinating the empirically given order. Knowledge based on such " experiential reconstruction," in Hobhouse's view, gave us information of the real world and not of mere appearances. This position Hobhouse was prepared to defend not only against the relativism of the Positivists, but also against the destructive attacks of the Idealists, notably Bradley. He argued that the contradictions which Bradley alleged beset the categories of science and common sense, arose from an undue hardening of the concepts and their application to the real world without the necessary qualifications, and he was prepared to show their validity if correctly formed and legitimately applied, and that not as mere elements of uncertain value merged in higher concepts but as actual expressions of some part of the truth.

The stage that Comte called metaphysical Hobhouse preferred to call dialectical, which proceeds by analysis and co-ordination of concepts. This stage, of course, has its value in the history of thought but also its dangers. These arise from the tendency of concepts to form a world of their own, remote from the experiences from which they were originally crystallised, a world which may come to be regarded as independently real, or at any rate independently valid, and one which is set up as a standard to which the world of experience must conform on pain of being pronounced unreal. The positive phase, on the other hand, or in Hobhouse's phrase, the stage of experiential reconstruction, refuses to rest content with the ideal of an internally consistent conceptual order, but seeks constantly to refer back concepts to the facts of experience and to criticise them in the light of our growing knowledge of the conditions which determine the development of thought itself. In this sense Hobhouse would agree with Comte in saying that in proportion as the treatment of a subject becomes scientific, its method ceases to be purely dialectical and becomes positive. He would, however, deny that positive thought is debarred from dealing with ultimate questions

and he would insist that though Comte was right in stressing the fact that all knowledge is historically or sociologically conditioned, yet the positive method is capable of correcting to an increasing extent the errors arising from this circumstance, in proportion as it succeeds in unravelling the conditions under which thought develops and embodies this growing knowledge in its reconstruction of experience.

In the light of these considerations we can now understand Hobhouse's attitude to science and philosophy. Throughout his work he insisted on the close relation between them. One of the weaknesses of at any rate some of the idealist systems of thought was, in his view, that they tended to regard the work of science as secondary in importance and to think that metaphysical analysis and construction could be carried out independently of any particular scientific scheme. The true function of metaphysics was to co-ordinate the underlying ideas of the sciences and of experience generally. In his earlier work, however, he eschewed metaphysical construction on a large scale and looked to philosophy rather for criticism and analysis. But he always felt that the physical sciences at best formulated only one aspect of reality, and that there were other orders of experience, æsthetic, moral and religious, which had just as much claim to be taken into consideration in a synthetic account of the whole of reality. Already in an early paper he showed that so-called mechanistic explanation which generally pretends to keep close to experience affords in fact an excellent illustration of the evils of abstract dialectics, of what Comte called metaphysics. In its revolt against vagueness the mechanical mind seizes eagerly on those concepts which appear most easily verifiable, and then mistakes these luminous bits for the whole. It treats concepts quite in the dialectical spirit as independent quasi-entities, which can be combined, separated and re-combined, forgetful of the fact that elements conceptually distinguishable do not in fact operate separately, but determine and modify each other and are affected by the wholes of which they form parts. In his view of the limitations of the natural sciences in relation to a complete world order he was confirmed by the recent developments in the physical sciences themselves. Yet he did not share the belief of some recent exponents that the newer theories tended to a subjective interpretation of nature or to destroy the idea of universal causation. He remarks that the whole theory of relativity arose from the requirements of universal uniformity, and the conviction that the slightest deviation from calculated results required an explana-

tion either in terms of a hitherto unobserved factor, or of a modification of the law on which the calculations were framed. It is therefore to say the least remarkable to find that the theory should end by denying the validity of the conception of a uniform casual order. While repudiating subjectivist interpretations, he did, however, think that the effect of the recent discoveries was to do away with the notion of matter as a permanent substratum of all change and this confirmed him in his view, reached by a different road, that what we call matter is a rough formulation of one aspect of the real, while the term mind refers to another aspect of experience equally characteristic of the real, and he came to conceive of reality as a developing order whose fundamental characteristic is the interweaving of the mechanical and the teleological.

Though maintaining throughout his life a close interest in the physical sciences, he confined himself in his own scientific work to psychology and sociology. Broadly he concentrated on comparative and social psychology and on comparative institutions, including moral and religious ideas and customs. To these sciences he made magnificent contributions. In his *Mind in Evolution* (1901) he traces the growth of mind in the various forms of organic life from its earliest manifestation in the gropings of unconscious effort to the full clearness of articulate purpose. His findings were based on extensive experimental investigations which are now generally recognised as among the most important pioneer contributions to comparative psychology. He introduced new and ingenious tests, for example, the draw in test, the lock and key test, the box and pole test, and others, which have since been used by Watson, Yerkes and Koehler and other students of primate behaviour. (Cf. " The development of modern Comparative Psychology," by C. J. Warden, *Quarterly Journal of Biology*, Dec., 1928, Vol. III, No. 4.)

In his studies of social psychology (*Mind in Evolution, Development and Purpose* and especially *Social Development*) Hobhouse has dealt in a comprehensive manner with the psychological conditions of social life. He is particularly concerned with the part played by impulses and rational purposes in social life and the degree to which social development can be controlled by rational will. It is safe to say that his work will long outlive most of the one-sided treatises on social psychology that have appeared in rapid succession since his *Mind in Evolution*.

When Hobhouse approached the study of sociology he found that broadly speaking four tendencies could be distinguished in the study of human relations. There were, firstly, the treatises

of the political philosophers, which though in many instances worked out in relation to urgent problems of an actual political situation, yet in the main proceeded in the dialectical manner by an analysis of conceptions and ideals and presented accordingly the characteristic virtues and vices of the dialectical methods. There was, in the second place, the attempt made by Comte to bring social science into relation with the general conditions of human development, to disentangle the trends and laws of social evolution. Fundamentally, in Hobhouse's view, Comte's method, which insisted on combining critical analysis of conceptions with a comprehensive grasp of historical fact, was sound. But unfortunately the lead given by Comte was not generally followed. Sociological investigation was diverted into other channels. This was in part due to a certain over-rigidity of Comte's system, but more fundamentally to the development of biology and the efforts made to apply the new biological conceptions to social evolution. These tendencies exemplified by Spencer and others Hobhouse regarded as in the main of the nature of a reaction. His view was that important as were the contributions which the biologist could make to the data of sociology, nothing but confusion could result from the efforts to apply biological principles uncritically to the interpretation of social evolution. "The last word of biology is the first of sociology." A great deal of Hobhouse's teaching both in his lectures and his books (Cf. especially *Social Evolution and Political Theory* and *Social Development*) was devoted to a searching examination of biological theories of human progress, though the lessons he has taught us in this connection do not seem to have received the attention they deserve. Fourthly, the latter half of the nineteenth century saw the emergence of several special social sciences, such as comparative religion, comparative mythology, comparative law and comparative institutions and morals to which later the teachers of sociology at the School of Economics, Westermarck and Hobhouse, themselves made magnificent contributions. Hobhouse's ambition was to link up these varied approaches to social science and to effect a vital synthesis between them.

To appreciate his point of view it is necessary to consider on the one hand the relation between social philosophy and sociology, and on the other the relation between the latter and the special social sciences. Social philosophy concerns itself primarily with the analysis and criticisms of conceptions and categories and with the problem of values; social science adheres to a description of facts as they are or have been and to a determination of the

agencies involved in social persistence and change. Yet the two studies are clearly closely connected. For in the first place ideals and values may and do themselves act as forces determining or conditioning changes and to that extent they belong to the " facts" of social life and their mode of genesis and development may and indeed must be studied by the methods of social science. Neglect of this consideration has often led to an unduly fatalistic view of the nature of social processes. In the second place, it is important for the philosopher engaged in the study of ethical ideas to keep in touch with historical fact. As Höffding pointed out, what is ethically obligatory must be sociologically possible. But though the studies are closely related they must nonetheless be kept distinct. It was perhaps the essential weakness of some of the Hegelians that they blurred the distinction and thus tended to confuse the ideal with the actual, while some of the Evolutionists made the converse error of confusing the actual with the ideal and attempted to deduce ethical criteria from the mere facts of evolutionary process, forgetful of the fact that if it is untrue that whatever is is good, it is equally untrue that whatever comes to be is good. It was necessary, therefore, to keep the study of values and the study of actual development and its conditions distinct. A complete account of social life would involve a union of the two studies.

Hobhouse came to regard the scientific side of sociology as especially concerned with the problem of correlating the various aspects of social life as reflected in social institutions. For the simpler societies he elaborated a method for correlating the various forms of social institutions with economic status as measured by the degree of control attained over natural forces. This led to an extensive statistical investigation in which Dr. Wheeler and the present writer took part. (Cf. *The Material Culture and Social Institutions of the Simpler Societies : an essay in correlation*. 1915). But Hobhouse did not confine himself to anthropological data. His investigations in comparative and social psychology and the history of civilisation led him to formulate a theory of mental development of a far-reaching kind, and he sought to determine whether there was any correlation between mental growth and social development. In order to test this hypothesis it became necessary to lay down criteria of development and in his work in this connection he found a means of linking up his scientific and philosophical studies. For development may be studied both as a question of historical fact and from the point of view of ethical valuation. The scientific problem is to correlate the several aspects

of social change in the light of non-ethical criteria analogous to those that might be employed by the biologist. The ethical problem is to determine whether the development thus established—if it be established—satisfies ethical criteria. The former set of criteria he deduces from the nature of development. They are scale of organisation, efficiency in control and direction, co-operation in the satisfaction of mutual needs and freedom or scope for personal development, or briefly scale, efficiency, mutuality and freedom. He then argues that in accordance with his ethical theory, complete development, that is advance in all four directions, involves the most ample and consistent fulfilment of human purposes and is therefore a rational end, or good, while partial or one-sided developments may be good or bad according as they affect the whole. It is not possible here to follow his elaborate study of the data of history and anthropology. The result of his survey is to suggest that there has been correlated growth as measured by his criteria and the hypothesis is urged that this expresses the growing power of mind in man as evidenced in the phases of mental evolution already distinguished by him in his work on comparative psychology. (I have explained Hobhouse's method more fully and it is hoped more clearly in a paper in the *Journal of Philosophical Studies*, Vol. IV., No. 16.)

To understand the nature of this correlated growth we must consider Hobhouse's view of society. Societies or communities, he thinks, though not organisms, exhibit varying kinds and degrees of organic character. They are systems of interdependent parts, maintaining themselves as wholes, by the mutual adaptation of the parts to the requirements of the whole. In so far as there is genuine organic harmony, in so far as communities rest upon free co-operation, their parts have both interdependence and self-determination. Actual communities, of course, realise the principle of organic harmony only imperfectly, for in them the interdependence of the parts is marred by much self-centred indifference and mutuality of service is limited by inhibitions and suppressions. These limitations are deeply rooted, since they are due to the fact that human beings not only have need of one another, but also limit and obstruct one another. Individuals are mutually interdependent, yet each individual, and, which is perhaps more important, each group of individuals, is in varying degrees self-centred and even hostile to others. The result is that though somehow the community maintains itself as a whole, and the needs of the common life are somehow met, yet within wide limits individuals, in following out their own lives, impinge upon one

another's activities, hinder and thwart one another, and this not only out of selfish individualism, but because genuine social needs come into conflict with one another and no one can grasp the needs of the community in their entirety or is aware of the conditions requisite for their harmonious fulfilment. The problem of social development is in fact how to reconcile individuality and sociality, how to secure those conditions in which each individual in realising his own powers served the social whole, and in which at the same time that social whole helped him and sustained him in the realisation of his faculties. Social development Hobhouse argues depends upon or expresses the growth of social mentality, that is the progressive recognition by individuals of their mutual relations in the common good. By social mentality is not meant a unitary common self or mind, nor even an articulate system of ideas and purposes, but rather a mental condition widely dominating thought and action, a sum of habits, dispositions, ideas effective in a group of interacting minds. Such a group constitutes not a mind or will, but rather a network of minds, related to one another in a thousand different ways, each conscious of himself but only dimly aware of the nature of the interaction between himself and his fellows, and certainly not aware of the whole in all its complexity. The growth of the common mind and will in range, in impartiality and generality, is reflected in the advancing movement of civilisation. By this is not meant that there is necessarily a strict causal relation between them, but rather that there is a broad correlation between systems of institutions and the mentality behind them. The underlying force of historical evolution, Hobhouse claims, is to be found in the growing power of mind and the essence of his thesis would seem to be that the work of the mind lies deeper than its conscious manifestations, that it is fundamentally an effort towards unity and integration. The sense of this unity is what constitutes the spirit of the social structure, and lies at the root of religion and morals. In the world of knowledge the rational impulse is seen in the effort towards articulate system, in the world of practice, in the striving towards a harmonious life. The work of mind is social, since it depends upon interaction between countless individuals, and operates through tradition, selection, and co-operation. Not being the expression of a unitary mind, social development is not continuous nor regular. " It does not move with the assured sweep of a planet in its orbit on a mechanically determined curve, nor does it resemble the inevitable unfolding of a germ through predetermined stages with harmonious correla-

tion of parts to an assigned maturity of type. It more nearly resembles a series of efforts to grapple with an obstacle the nature of which is only half understood, which in consequence, when forced to yield at one point returns to another." The method throughout is one of trial and error, yet gradually the growing knowledge of the conditions underlying development come to be utilised for the furtherance of organic harmony. Social development goes on in many distinct centres and reveals far-reaching divergencies, yet by ever widening syntheses higher levels are reached.

Professor Hobhouse next contends that development as defined by him is a rational good. Whatever else the good may be it is at any rate that which satisfies human impulse. The rational good must accordingly be one in which the whole body of impulse-feeling is linked up into a harmonious system, guided and sustained by all-embracing purposes, a harmony carried consistently through the world of mind and its experience. Such harmony can only be realised by the co-operation of all mankind, resting upon free and rational conviction, and aiming at the collective control of all the conditions of life, internal and external. Social and ethical development have thus a common end and can be measured by the same criteria. The coincidence is not a mere dialectical trick, but is rooted in the fact that the good is the principle of organic harmony, and to the extent to which social development embodies this principle it is good. Nevertheless, social development only coincides with ethical development "as a whole and in its completeness." In actual fact development proceeds by a union of partial developments and these may not be, and often are not, in conformity with ethical requirements. What is claimed is that on the whole a substantive advance has been made as judged by ethical standards. In the extension of organic harmony Hobhouse finds the reality of progress. This is essentially the work of rational mind working in individual centres, but expanding in scope and articulateness linking up partial growths into wider and wider unities and having for its final purpose the harmonious fulfilment of human potentialities on a world scale. Progress is accordingly not automatic but depends upon human thought and will. The belief in the reality of progress rests ultimately on the fundamental rationality of mind, on the possibility of forming an intelligible conception of a good common to humanity, and of securing an effective will directed to this good. Such a conception is not yet an effective force, and there is always the danger of disruptive agencies gaining the upper

hand, yet in the end " it will conquer all invalid ideas, because they will at some point contradict themselves, while that which is valid will appeal at an infinity of points, and all of them will be found at last to lead to the same centre. This is the final ground of the belief that in ethics good, as in science truth, will prevail."

The discussion in *Social Development* is the culmination of a series of works which collectively are entitled *The Principles of Sociology* (1918-24). In the first of these (*The Metaphysical Theory of the State*) he gave what is now generally recognised as the most penetrating criticism of the Hegelian theory of the State, and prepared the ground for a social philosophy which would do justice at once to individual development and the requirements of the common good. In the *Rational Good* (1921) he works out his ethical theory of the good as a harmony of mind with its objects, a consilience of all endeavour in a comprehensive system of purposes. The theory is essentially eudæmonistic without being hedonistic. In the *Elements of Social Justice* (1922) he applies his ethical theory to the problems of political and economic organisation and provides what is perhaps the best exposition of a liberal social philosophy. Taken together these works constitute perhaps the most scientific and comprehensive attempt that has yet been made to trace out the working and possibilities of rational purpose in social evolution.

The development of sociology as an academic discipline in England is very largely due to Hobhouse. A study of the university syllabuses and the programmes of the School of Economics shows that together with Professor Westermarck he gradually arrived at a scheme of teaching which will compare favourably with anything to be found in the universities of Europe and America. In stressing the synthetic point of view, in his clear demarcation of the relation between the philosophical and the scientific approach to the study of society, in insisting on the importance of painstaking detailed studies as well as of comparative investigations, above all in elaborating a sociological methodology, he has laid down the general lines which sociologists will for long have to follow, if sociology is to be placed firmly " on the secure path of science." Recently, many attacks have been made on the use of the comparative method in sociology, but these are for the most part superficial and ill-founded. The urgent need of the moment is the further development of comparative study of institutions. Co-operation is required not only with anthropologists but with the students of history, comparative law, comparative religion and so forth. Such co-operation is now the more

feasible as the importance of the sociological point of view is gradually beginning to be realised by the students of these sciences themselves. Further development may also rightly be expected in social psychology. This has always formed an integral part of the teaching of sociology at the School, but there is ample room for extension particularly on the lines of what may be called differential social psychology, that is the study of the mentality of social groupings such as classes, occupations, nations, races. Biology, too, may be expected to yield valuable aid. The history of the impact between biology and sociology whether in England or abroad proves conclusively that what is now important is to get the biology treated in its right proportion, neither ignored nor allowed to dominate the subject. Above all the correlating function of sociology must be borne in mind and the danger avoided of reducing sociology to a specialism among other specialisms.

Hobhouse's work in comparative psychology and sociology forms part of a general theory of reality. The view of the good as rational postulates a moral order which is universal, binding upon all rational beings that come into relation with one another. It involves the notion of humanity, perhaps of all conscious beings as a unity, though Hobhouse is anxious to point out that this unity must not be personified but conceived rather as a principle of growth or development, an effort towards harmony, gradually widening in scope and comprehensiveness, a unity that may be described perhaps as a unity of spirit. These implications of his ethical theory are taken by Hobhouse at least to confirm the view of reality reached by him in his *Development and Purpose* (1913; revised and largely rewritten, 1927), which may be regarded as his most comprehensive effort to synthesise his philosophical and scientific work. He shows that development consists in the extension of harmony through a series of syntheses. It proceeds by the liberation of elements originally in conflict, the building up of structures of varying degrees of plasticity and coherence. The power behind this liberation and these syntheses is mind, essentially a correlating activity, manifested in all orderly structure, but more clearly in all living organisms, which are interpreted as a modification of mechanical structure by teleological factors, and eventually emerging in the form of conscious purpose in the human mind, as expressed in the advancing movement of civilisation. Mind is on this view not co-extensive with reality, but is the principle of orderly growth within it. It is limited by the material it works upon, and its purposes themselves undergo development. His fundamental principle which

he entitles "conditional teleology" is examined both from the point of view of the logical requirements of systematic explanation and its value as an instrument in scientific investigation especially in the fields of biology and sociology.

Hobhouse's metaphysical theory may be profitably compared with other recent views of the nature of the evolutionary process. Lloyd Morgan's "levels of emergence," Smuts' "wholes" closely resemble Hobhouse's notion of the stages of correlation through which mind passes in the course of development. But while Lloyd Morgan excludes all problems of agency and direction from the sphere of science, relegating them to what he calls theory of reality, Hobhouse attempts a synthesis of the two and claims to show that the *nisus* towards higher levels of emergence is due to a correlating factor, which operates with cumulative effect in all elements of the real, though it is also conditioned by them. For Smuts, the holistic principle though described as an organising, ordering, and relating activity is not to be identified with mind, which in his view is an organ only of one form of wholeness, and that a comparatively recent one in the evolutionary order. Hobhouse, on the other hand, regards the existence of structured wholes as evidence for the operation of a central mind, which is the organ of correlation and whose final end is harmony. All, however, use the conception of a *nisus* towards wholeness and it is arguable that Hobhouse has faced more frankly than the others the teleological implications of this conception.

Hobhouse finds it extremely difficult to characterise adequately the form of unity that belongs to what he calls the Central Mind. The Mind of Humanity, though a true constituent of the permanent mind is not identical with it nor exhaustive of it. The growth of the empirical mind as revealed in the world of organisms and in human societies depends upon conditions already laid down in the general plan of things which must be supposed to operate in some sense throughout the whole process of development. Here Hobhouse occasionally employs language which brings him extraordinarily near to the position of the Idealists. "The unity of mind," he says, "is not created, but discovered in the development of individual minds. As a reality it is that which determines development from the beginning." Yet it is not the whole of things, but only a factor within it, whose purpose is conditioned by other elements as yet unorganised. We must not expect to be able to express this unity in terms of our partial experience. It resembles neither the unity of individual personality nor that of social groupings, but is something that pervades the world

structure, a common factor or principle of interconnection among all elements of the real working towards harmonious correlation, a factor which individual minds come to recognise as they mature.

This general position, Hobhouse thinks, is supported both by an empirical study of mental evolution and by an analysis of the logical presuppositions of knowledge, and he claims that its peculiar strength lies in that both types of argument lead in the main to the same conclusion. But above all it is strengthened by certain deep-rooted convictions, which, in his view, must form the fixed points of any rational philosophy and which rest, not so much on argument, as on simple, direct and deeply felt experiences. These may best be stated in his own words. " The first is the conviction of goodness—goodness neither laid up in heaven nor moving as a metaphysical principle upon earth, but warm and real in the hearts of living men and women. There are those whose faith is founded on inner certainty of the Divine. There are others of us who have seen something of the qualities we call divine in man, sometimes doubtless sadly broken and mingled with a different clay, yet bearing to any understanding mind the ineffaceable stamp. And there are those more greatly privileged who have learnt to know some nature crystal-clear, compact of mother-love, with thoughts by instinct bent on others' needs, sensitively tender, yet of indomitable spirit, fearless and believing no evil, through very selflessness enjoying and reflecting the charm of life. This, the sceptic may say, is to describe a woman as a man sees her in the hour of romance. It may be so, and it may be that in that hour some real things flash out which are afterwards obscured. Be that as it may, there are not wanting those who have put the vision to the test of lifelong companionship only to find it gaining in clearness and truth. No other relation of life can yield such intimacy of understanding, yet comradeship in great causes does not fail to reveal men of noble thought and faithful heart, men who sink themselves in their mission, but do not let their friends sink, men whose staunchness stands the test of long years. The being of such men and women is not a matter of faith but of experience, though an experience which like every other requires the eye that can see. But what general conclusions can philosophy draw from it ? you ask. If there are the noble and the good, are there not also the mean-spirited and the knaves ? Why should the one be more significant than the other ? To this question the theory of development supplies a ready answer. The failures are the undeveloped, and if you would know what development can do you must look at the successes. More

precisely, we conceive the elements of things acting severally each on its own lines, and yet drawn together in a relation which at its height becomes Love. Whatever is repellent, fearful, suspicious, unimaginative, brutal has remained, relatively speaking, self-centred. All that love touches has the nobler quality. But of this we may be sure. No man or woman such as I have ventured to speak of, nor yet any such quality as theirs, though less developed and marred with imperfections, ever came out of the clay, unless the clay itself has mind. No rational observer (if we may revert to that fancy) from another universe would admit such a hypothesis. With the utmost allowance for what development could do he would demand some continuity, and if he was assured that their origin was from matter he could only infer that matter was alive and instinct with some very wonderful imaginations. As the geologist is sure that the isolated boulder does not spring out of the alluvial on which it rests, but is a detached fragment of the mother rock, so with even stronger logic would he refer the radiant soul to its matrix of spiritual being. Every detailed hypothesis of origin that we may construct may be faulty. The immanent spirit may be no nearer the truth than the transcendent Creator. The idea of development may pass away like that of special creation. One truth will stand firm. The world which has engendered such beings as we have known is no mean world. It is a world worth living and fighting for, the world which they have trodden. It is the dwelling of a spiritual power, be it what it may, which will some day come into its own, be that how it may. Of the how and the why our philosophies give what account they can, but behind them lies something surer than faith, firmer than abstract reasoning, those most intimate and sure experiences which reveal the true capabilities of the human soul."

Law and the State

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I

Every state in the modern world is a territorial community in the name of which some agent or agents exercise sovereignty. By sovereignty is meant the legal competence to issue orders without a need to refer to a higher authority. The orders so issued constitute law, and are binding upon all who come within their jurisdiction.

In some such way as this the modern analytical jurist defines the nature of the state for the purposes of his science. Any explanation of its character is, most usefully, of two kinds. It can be, on the one hand, historical. It is possible to trace the way in which the *Respublica Christiana* of the Middle Ages was slowly transformed into the complex of states we know in the modern world, and to show how the demands of unity and order gradually and painfully resulted in the attribution to them of the quality we call sovereignty. Such an explanation has the value of enabling us to see that the modern state is not, either in its form or substance, anything permanent or eternal: it is simply a moment of historical time, obviously born of special needs, and, equally obviously, destined to transformation either when it has ceased to satisfy those needs or when the needs themselves have passed away. The historical study of the state has the great merit of showing us the essentially pragmatic character of all theories about its nature. They are born of the need to satisfy a particular environment, and they die when they cease to render that satisfaction.

Alternatively, the jurist's explanation of the state may dwell in the realm of formal logic. Making entire abstraction of the facts of any given state, it may seek the quintessential form of which all states are more or less imperfect expressions. It may then say that where there is an authority which fixes the norms of all law, and beyond which, in the search for the origin of such norms, we cannot go, there we have a sovereign state. The content of the norms, or of the orders begotten legally of them, is

here irrelevant. Neither political nor moral considerations have any bearing upon this aspect of statehood. We have not to consider the goodness or badness, the wisdom or unwisdom, of the norms; no problem arises for the jurist save whether the authority which has fixed them is or is not competent formally to do so, whether it is possible to go beyond that authority to one upon which it depends for its existence. If there is formal competence, if, further, that authority is ultimate in what may be termed the hierarchy of powers, it constitutes a sovereign state.

From a formal point of view, it is clear that the juristic theory of the state explains why commands which are issued in the name of the state are binding upon all who come within its jurisdiction. For it makes the ultimate source of reference from which all legal power to command is derived. But it is important to remember what the theory does not do. It explains how a complex of personalities, both corporate and individual, is geared into unity by subordinating them to a single point in the community. It does not explain whether the method by which this result is attained is good or whether its consequences are beneficial. It defines law as the will of the state without regard to the content of law. It makes that will binding upon the subjects of the state without regard either to what it does or to its power to get itself applied. It does not explain why the state has acted in a particular way, or whether it should have acted in a particular way. It is merely a descriptive technique of competence, independent of the actual world that competence will have to encounter. It is entirely fair, from this angle, to speak of the will of the state as absolute, indivisible, and inalienable. For were it none of these things, it would, in terms of its definitions, cease to be sovereign. Any formal juristic theory of the state conceived in this way must necessarily dwell in a pure world of categories. It is independent of the day-to-day stresses and strains which states have to encounter. The ideal state of formal jurisprudence need not consider public opinion, the wills of other states, the impact upon itself of internal and competing powers, ethical right, or political wisdom. Within the structure of the community of which it is the supreme expression, life is lived in terms of categories which it alone can make or alter. It determines the life of all other wills because it alone makes the principles of behaviour to which they must conform. For their law is conceived in terms of its law, since rules of conduct hostile to its law are illegal in the precise degree in which they depart from it. We are, indeed, entitled to think of them as valid only

by reason of state-permission, since the possibility that the state may deny them renders their right to be an exercise always in the conditional mood. The state giveth, and the state taketh away; whether we shall add the wonted blessing depends very largely upon our political philosophy.

II

In terms of its axioms, formal jurisprudence is completely justified in the whole of its procedure; in terms of its axioms, neither its method nor its results can be denied. By its own inherent logic, all that it makes law is necessarily legal, all in conflict with it is necessarily illegal; for it could not continue its sovereignty on any other terms. But a philosophy of the state can never rest satisfied with the axioms of formal jurisprudence. It must ask why they have been assumed, and what they do as a consequence of their adoption. It must seek a bridge between the purely logical world of ideal concepts, in which alone the juristic theory of the state dwells, and the actual world about us, in which the states that we know have to perform their function. It needs to know, accordingly, what that function is, and, independently of the juristic theory, to devise an institutional pattern which seems most likely to enable it to be performed to the maximum possible advantage. When the juristic theory is analysed from this angle, its nature and validity begin to assume a much more questionable form.

Let us begin by remembering two things. Every state, from the legal angle, is divisible into a body of persons issuing orders, and a body of persons receiving them and, presumably, acting upon them. The latter encounter the state always through its agents. It cannot act upon them except through its agents. For them, the state itself is an abstraction in the name of which those agents are entitled to speak. They make its will for the subjects of the state, in whom, of course, where the state is a *Rechtsstaat* they are themselves included Save through them, the state has no means of declaring its will. It is simply a category of description, a method of attributing formal competence of a specially majestic kind, to certain persons and not to other persons. There is nothing about the state, in this context, which enables us to assume that it has special virtues or special wisdom, or an inherent right (apart from a formal legal right) to be obeyed. Its sovereignty is a method of conferring formal power upon men to whom functions of a special kind have been entrusted.

The way in which this kind of power developed is well known.

When the Western World split up, at the Reformation, into a series of communities no longer recognising either a single religious head, as in the Pope, or a vague and tenuous overlordship, as in the Emperor, religious conflict made necessary the unification of power within the state if it was to survive the consequences of that conflict. Sometimes the solution took the form of assuming that the decisions for making unity, and, therefore, order, should rest with the prince who became, as with Henry VIII and Elizabeth, the supreme head of the Church ; sometimes the unity was made by recognising papal power as invested with a right to command Roman Catholics, but, also, investing another authority with the right to determine, as in France under the Bourbons, the limits within which that power should be exercised. The Reformation, in fact, transferred to a person, whether individual or institutional, in each of the communities into which Europe was broken up the power to determine the rights of groups and persons in the interests of peace and order. Continuous warfare made men feel that peace was the supreme good ; uncertainty whether the claim of a group or person was valid or no seemed to involve the risk of further conflict. To set the monarch, or, as in England the King in Parliament, above all other persons in the community, was a simple way of resolving what rights those persons should possess. None of them, legally, could appeal to a will beyond that of the King, or his analogue. They had, therefore, in the legal realm no alternative but obedience to his decision. The supremacy of the state was, internally, the necessary consequence of the breakdown of religious unity. Its right to determine the boundaries of power in any association or person within the community over which it presided followed directly from that supremacy. Once there was no appeal to Rome, there was no power which could compete with the authority of the state. But it must be remembered, once more, that in all these relationships, the state acted always through agents : it was, for its subjects, Philip in Spain, Louis in France, Cromwell and his major-generals, or William and his Parliaments in England. Their right to issue orders was the expression of a relational context between them and other persons so placed as to be unable, by legal means, to go beyond them. What is termed the personality of the state was, in point of fact, always the personality of the government of the state. The distinction between state and government was nothing more than the means of obtaining a sanction for the norms imposed by the government upon the community.

The international situation greatly helped this development. The growth of commerce meant that, internally, the interests of peace were paramount ; and the government of the state, as the authority charged with the preservation of order, enormously increased its authority as a consequence. Once commerce passed, in fact, from the local to the national sphere, the government was able, in the name of the state, to make regulations which, in the interest of the whole community could be regarded as superseding merely local advantage. And where war was deemed necessary for commercial advantage, obviously it was to the economic benefit of the interests affected to strengthen the authority of the state, therefore, also, of government, for their own sake. By the middle of the seventeenth century, government and state had become so identified that even dynastic wars contributed to the interest of the state's authority. Its power grew by leaps and bounds simply because the purposes it represente ' were attained by its increasing assumption of authority.

That this is the history of its development is brought out clearly by the history of political philosophy since the Reformation. The classical theory of the state, as it passes from Luther to Bodin, thence to Hobbes and Rousseau, and ultimately to Hegel and his disciples, is essentially the history of an axiom and its justification. Luther vindicated the right of the secular power to be, independently of ecclesiastical trammels. Bodin and Hobbes, writing, each of them, in an age when the power of the government to speak in the name of the state was challenged, insisted that anything less than a sovereign state meant anarchy, because there was then no final source of certain reference for the norms by which men's behaviour is regulated. Both Bodin and Hobbes wrote in an age when the monarchical principle seemed to most thinkers by all odds the most satisfactory. It was a principle Rousseau could not accept. But the real upshot of his work was, by making the state the repository of the general will, to give to its agents a moral sanction they could hardly have otherwise claimed. For his denial that representative government is valid was omitted from the synthesis built in his name ; and once it could be stated that the people could act only through its elected representatives, a penumbra of prestige was added to their activity which could in no other manner have been obtained. The inference, in fact, was drawn by Hegel who made the state, and, inferentially, the agents who act in its name, not only the culmination of the social process, but the embodiment of the highest purpose humanity could know. Thenceforward, to

challenge the state was not merely to challenge the source of peace and order, but to challenge, also, that in which the highest end of man was incarnate ; and since the state could be challenged effectively only by a challenge to its government—since the latter only disposed of the state's sovereignty—the moral beatification of government seemed to follow from the function it performed as the supreme agent of the state-purpose.

III

The problem of the juristic philosopher, in short, is the difficult one of validating his purely formal analysis of categories for the actual world about us. Institutions justify themselves, not by their position in a logical hierarchy, and the claims that position formally entitles them to make, but by their power to satisfy effective demand. Once they fail in this, new institutions become necessary, and a new hierarchy is developed to make the logical hierarchy more adequate to our needs. And this, in fact, is what is happening to-day. Social changes, on the one hand, and scientific development, on the other, have operated to revolutionise the position of government both in the national state and in the international community. An adequate legal philosophy, that is to say, must not only explain the legal right of a government to obedience, but its ethical right as well. It must not only do this. It must explain, also, how the sovereignty of the state can be reconciled with a world in which the hinterland between states is organised, must show, therefore, how a state which is the subject of a vast range of determinate obligations can remain subject to no will save its own, and yet remain under compulsion to fulfil its obligations. Increasingly, the inadequacy of the classical theory of the state to express the needs of our time is evident to the new generation. Duguit in France, Kelsen in Vienna, Krabbe in Holland, are only the most eminent of those who, in various ways, have admitted its bankruptcy by seeking to build it anew on different foundations. None of the new answers may be adequate ; but all of them represent a recognition that a purely formal jurisprudence which seeks to explain the state as justified to its members simply as the highest unity-making factor we know is without meaning for the problems of our time.

This can, I think, be demonstrated by an examination of the axioms on which formal jurisprudence has been constructed. Those axioms arose out of a supreme need for order which had to be established in a way which satisfied a set of given social conditions. The supremacy of the state was achieved because it

enabled those who actually held power, those, also, whose tenure of power was accepted, to exert authority in a formal way. Their exercise of authority satisfied their subjects at any rate to the degree that, broadly speaking, was necessary to secure obedience. But power can only be retained upon the saving condition that its exercise continues to satisfy its subjects. Men who are conscious of wants ask themselves whether attention is paid to their wants. They scrutinise the forms of the state in order to see whether those forms are such as to offer them the maximum possible certainty that their wants will be satisfied by them. And, in the long run, the forms are judged by the opinion built out of their actual operation.

Law apart, every community is a congeries of men and associations seeking the satisfaction of wants. Not all of them are attainable; some, at least, are incompatible with each other. Some, by their nature, demand the imposition of uniform rules of behaviour either upon all members of the community or upon all members who fall within a particular category. The desire, for instance, for security of the person means the imposition upon all members of the community of the rule that murder is forbidden and will be punished. A group within the community is charged with the application of that rule. Men generally obey the orders issued for the prevention of murder because they are satisfied by the consequences of that prevention. It is clear that if the group entrusted with the application of the rule were unable to secure its observance, other men would be entrusted with the task so long as men continued to regard security of the person as a desirable object of attainment.

It is in these terms that we must approach the position of the state in society. It is entrusted with power in order that it may satisfy, or organise the satisfaction of, the wants of men on the largest possible scale. It acts through a body of agents, the government, to that end and no other end. It does not possess power for the sake of power; it does not even possess power for the order which power enables it to enforce, since order is not the highest good, but merely a means to the attainment of goods regarded as higher than itself. For, clearly, a savage despot might establish a régime in which order prevailed, but from which freedom and justice and honourable dealings between men were all absent. Order, in that event, would be akin to the annihilation of personality and could hardly be regarded as an end. Power, therefore, is not good in itself; a government which exercises power is not, either, good in itself. Its goodness, or

badness, is a function of what it does. Its nature is dependent upon the results it secures by its operations.

Results for whom? I see no answer to this question capable, at least, of ethical justification, except the answer that it must be results for every member of the community. For the community is a body of individuals, and goodness for the community must mean goodness for those individuals or it means nothing; since, if those individuals are abstracted, no community is left. And since the humanity of men is dependent upon their recognition as ends in themselves, goodness for the community must mean goodness for me as well as for another; for, otherwise, I cease to be an end in myself and become merely a means to the ends of others, which, being the definition of slavery, is a denial of my humanity and a refusal to recognise my status as a member of the community. The state, therefore, as it operates, must treat my claim to good as equal to that of another unless it shows that differentiation in its treatment of me involves some good in which my good is involved.

The norms of law, therefore, that are established by the state —that is, established or maintained by the government which is exercising sovereignty in its name—are norms the substance of which is of the first importance for the validation of its claim to my obedience. For its demand that I should obey any given norm clearly depends, at least in part, on my recognition that my good is involved in that obedience. Mostly, without doubt, I shall obey its demand whatever its substance, since the comparison between its power and my own leaves me little alternative. But the norms it establishes may arouse dissent not only in me but also, it may be, in a considerable number of persons like-minded with myself. I may dissent, for instance, as a member of the Roman Catholic Church in the *Kulturkampf*; or I may dissent as a member of the South Wales Miners' Federation in the munitions strike of 1915; or I may dissent as a citizen who, in Russia during 1917, accepts the principles of Revolutionary Communism. In these cases the formal capacity of government to make law is challenged by a refusal to accept the law it seeks to make. In crucial instances, that formal capacity remains purely formal; an attempt by the government to validate it in the event is met by a resistance which changes the government of the state. The unity of the state, of, that is, the legal system summarised in its power, may remain; but it remains on the condition that it is used for different purposes.

From this I draw two inferences. In the first place I infer that

the validation of law is not a matter of the source from which it emanates, but of the acceptance which it secures ; and, in the second place, I infer that it is the part of wisdom so to organise the ultimate law-making body of the state—that is, the government—that a maximum consent to its operations is assured before it embarks upon them. Consent to law is not merely a function of the source of law. It is doubtless true that innumerable men obey the state simply because the government which issues an order is entitled in law to speak in its name. But analysis would, I think, show that most of such obedience is the product of habit or inertia, and that it is never creative. The obedience that counts is the obedience of an actively consenting mind ; and such a mind is concerned less with the source of law than with what the law proposes to do. This is always evident when the will of government is opposed by some powerful will which dissents from its conclusions. Governments, at the margin, are rarely able to get their way if a considerable body of persons announce their refusal to accept their proposals. They can then only exercise their sovereignty at the risk of losing it. The fact is that no government represents the whole community in a way that ensures automatic acceptance of its will. What it represents is an outlook which, because it temporarily possesses effective power, is legally entitled to use the machinery of the state for purposes it deems good. If that outlook conflicts with the outlook of other members of the community, an attempt at its application may meet an attitude which varies from secret evasion, through passive resistance, to active rebellion. Law is made effective, that is to say, through the fact of consent in those to whom it applies. There are limits to effective legal action. This is another way of saying that the unity the state is legally entitled to make it cannot practically make except upon conditions. There is thus a serious disparity between the requirements of formal law and the necessities which actual law encounters.

It is easy to see why this is the case. Every community has groups of citizens to whom certain things are fundamental. They will fight for the preservation of those things, and any attempt to invade them by the sovereign power will result in a challenge to the sovereign power. There are Englishmen, I think, who would resist an attempt to abolish the enfranchisement of the working-class, or the right to industrial combination, or the re-establishment of limitations upon freedom of religious belief. Legally, the King in Parliament could do any of these things ; politically, by doing so, it would probably cease to be the King in Parliament.

Legally, I think, the King in Parliament has the formal right to resume an active control of the affairs of the Dominions ; politically it must, as in the Declaration of 1926, treat them as equal and independent states individually entitled to make up their own minds about their own problems, capable, of course, of being especially influenced by the opinion of the British government, but never subject to its legal control. Citizens, in a word, expect from government certain standards of conduct ; and it lives by its ability to satisfy those standards. Its legal capacity is always set in the perspective of the limitations those standards impose. They determine its will since, when they are set at nought, it ceases to have a will because it is driven to dissolution by refusal of allegiance.

Formal law makes this allegiance single ; the facts make it multiple. Allegiance goes, not with the legal claim of the state, but with the conduct of the organisation which demands it. A man may be with his Church and against the state, with his trade union, or his party, if the facts seem to him to warrant that answer to the call. He does not recognise an *a priori* hierarchy of claims, which receive their ultimate expression in the state. Law as form is psychologically neutral to him ; what gives it the validity of right is its content upon a particular occasion where conflict has arisen. He does not assume in actual life that the state is entitled to his loyalty because, as the state, it is acting in his interest. He examines what is done in its name and makes a judgment upon the moral quality of the order he is asked to obey. He knows, that is, that legal power, as such, is at every instant subject to perversion. No government is, for him, entitled to permanent credit merely because it is a government. It is liable to error, to perversion, to deliberate misuse of power. It may, consciously or unconsciously, identify the interest of a class or a group or a party with the interest of the community, and legislate upon the basis of that supposed identity. It may do this in good faith ; it may do this, also, in bad faith. No government can be known from the simple fact that it is a government. It can be known only from the character of its acts. Nothing is more clear historically than the fact that men judge that character as the acts impinge upon them, as they respond or fail to respond, to the expectations they have formed. Allegiance as a psychological and historic fact is always contingent. It becomes actual and effective in terms of the quality of law rather than of its source.

It is because of this that men have sought in every age institutional means of limiting the power of their governors They

have wished to define what law shall be used for, to what purposes alone its coercive authority shall be devoted. Constitutions, Bills of Rights, and the rest, are, after all, nothing more than ways of declaring that the ends of law make law valid, and not the mere source from which it emanates. It is because of this, also, that every age has seen a revival of the idea of natural law. That revival is nothing so much as an effort on the part of thinkers to recall the state to the purposes by which alone the exercise of authority can be justified. It is an announcement that positive law must run in the leading-strings of principle, that it is the thing it is seeking to establish which makes it binding upon those whose behaviour it is to control. Men struggle, in fact, against being imprisoned in the categories of formal law because they realise that unfettered authority as such cannot give rise to an obligation which, *a priori*, is entitled to claim allegiance. The very ideal of a *Rechtsstaat* is an effort to make the legal sovereign the subject of purposes outside itself. It is a denial that it can will what it pleases. It is an insistence that it is justified in willing only what satisfies the demands of those over whom it rules.

IV

At this point, those who defend the classic theory of sovereignty, even in one or other of its contemporary attenuated forms, fall back upon a new line of defence.[1] They admit that the supreme power of the state is merely a description of capacity within the realm of formal law. They agree that such a view of sovereignty as formal law demands is politically inadequate and sociologically unsatisfactory. But they argue that its retention as a concept is necessary because society needs an organ formally entitled to resolve conflict between individuals and groups within itself. Unless there is to be anarchy in society, they say, there must be a highest power somewhere to which reference can be made where disagreement arises. " A political system," said Madison in the Philadelphia Convention,[2] " which does not contain an effective provision for the peaceable solution of all controversies arising within itself, would be a government in name only." There must, therefore, be some body within the community which, when controversy comes, can say the last word. Or there may even be more

[1] Cf. Dickinson, in *Political Science Quarterly*, XLII, No. 4, and XLIII, No. 1; McIlwain, in ECONOMICA, Nov. 1926; Emerson, *State and Sovereignty in Modern Germany*, ch. vii; W. Y. Elliott, *The Pragmatic Revolt in Politics*, *passim*; Coker, in *American Political Science Review*, Vol. XV, No. 2; I. Mattern, *State Sovereignty and International Law*, *passim*.

[2] Farrand, *Records of the Federal Convention*, iii, 537.

than one body, each of which, as in a federal system, is final in the particular sphere in which it presides. Only so can we safeguard ourselves against the danger of particularism.

I am unable to see that the argument is a valid one, and I do not believe that its exponents have adequately examined the presuppositions upon which it rests. In so far as it is an insistence that the state must necessarily perform the chief part in coordinating social activities, and that it cannot accept dictation from any other authority in performing that function, it merely repeats the argument of formal jurisprudence ; and, as I have here sought to show, so long as it remains within that sphere, it is impossible to controvert the position it assumes from the very nature of the axioms upon which it is founded.

But its exponents go further than this : they claim that its solutions have a validity other than purely formal because, somehow, the state is a safeguard against particularistic interests. It is acting in the name of the whole community. It makes peace possible. It is free from the partial views which permeate—inevitably—the attitude of groups and individuals lesser than itself. The whole of this argument seems to me fallacious in so far as it seeks to make these qualities necessary and *a priori* attributes of the state. It omits certain relevant facts of the highest importance from the view it seeks to establish. It forgets, first, that the state of which it speaks is an abstraction ; that what we have to examine are the acts of the government which speaks in its name. We cannot *a priori* say that the decision of this government, in any given instance, is in the interest of the whole community until we know what the content of the decision is. That judgment, obviously, must be pronounced by those who are to be affected by it. To say that they must accept it because its rejection imperils peace is to argue that order is, and always must be, the highest good. I do not see that it is possible to take this view on any scrutiny of historical facts. I do not find it possible to blame, for example, those who resisted Charles I in 1642, or the men who revolted in France in 1789, or in Russia in March of 1917. No government acts in the name of the community save in a formal sense until the opinion of the community upon its action is known. Governments have exercised the sovereign power for particularistic ends in the past, and they will, doubtless, do so again in the future. When Louis XIV revoked the Edict of Nantes his action was dictated by the view that the interest of France demanded a single pattern of religious outlook ; his action, we need not doubt, was both sincere and built upon high motives.

But I do not see why the Huguenots were not, equally sincerely and from high motives, entitled to resist his decision. The order he sought to establish was, for them, the abrogation of all they held most dear; and their judgment, as with Jurieu, that this was a case where acquiescence in the will of the state merely because it was the will of the state was impossible, seems to me a justified one.

I entirely agree with the view that the cases where men or associations oppose the will of the state should always be cases of last instance; I do not need to be convinced that peace is almost always better than conflict. But it is not so always. Because it is not so always legal claims are merely legal, and, as such, have no necessary connection with justice. Every sovereign act of the state is always, equally with the judgment of every other element in society, someone's act, whether of individual or group. It may be made with good will; it may be made with bad will. It has no inherent virtue as a sovereign act. It draws its quality from its consequences. Both morally and politically, it is neutral save in the context of those consequences. Any theory of sovereignty which would make it more than this suffers from the fallacy which identifies a maintenance of the power of the state with the preservation of general social well-being. There is no way of knowing whether that correspondence is justified until we know what the state actually does.

Now the state, as I have pointed out, exists to satisfy the largest possible volume of demand in the community. It co-ordinates the bewildering mass of activities there to secure the greatest measure of common satisfaction. That is the justification of its legal authority, the sole ground upon which coercive powers are entrusted to it, and to no other group of persons within the community. The question of whether it fulfils its function adequately is obviously incapable of an *a priori* answer. Some of those who have sought to give the juristic theory of sovereignty a place beyond its formal sphere have seen this. They have therefore wished to transfer the argument to the way in which the sovereign power is organised. Obviously, if it is to fulfil its task adequately, it must be organised to that end. Let us so organise it, and it can then claim an authority to which, otherwise, it could not pretend.[1]

The argument is an important one, and it must be developed in some little detail if we are properly to appreciate its significance. Every community is so complex in its nature that except for the formal purposes of law, it cannot be reduced to the unity of a

[1] Especially Emerson, *op. cit.*, p. 272.

single common good. There are interests in it which are permanently antithetic, those, for instance, of a Roman Catholic to whom the propositions of the Syllabus of 1864 are ultimate truth, and those of a Marxian Communist who discovers ultimate truth in the pronouncements of the Third International. If there is never a unity of common good, no organ in the society can do more than partially express the common goods upon which men agree. We make unities; we can never make unity itself. What we attain, at best, is never total satisfaction of demands, but partial satisfaction, sufficient, at best, to preserve a working compromise which men accept as less inadequate than any other to which they can lay their hand. Now the state which has power to co-ordinate the demands that are made needs, if it is to be successful, the fullest possible knowledge of those demands. It must not, so to say, either ignore them, or legislate for them. It must legislate through them. The organ which exercises its sovereignty must be so constituted as to represent not some part, or aspect, of the demands to be satisfied, but the largest possible area of those demands. Society, if I may so phrase it, is federal in its nature; and the authority, accordingly, that is to co-ordinate its activities, must correspond in structure to that federal nature.

We have, therefore, to take steps to see that the decisions made by the state take full account of the interests that will be affected by those decisions. Whether the interest affected is individual, association, or territorial unit, it must be adequately and effectively represented in the making of the sovereign will. Wherever there is a real interest in the community, means must be found for eliciting the will of that interest before it is presented with a decision about itself by which the contours of its life will be changed. The organisation of the sovereign power, that is to say, must, if it is to be adequate, be immensely more complex than in the past. It cannot legislate about trade unions or churches being compelled so to consult trade unions or churches that their will is fully known to it before it makes its solution of the problem before it. The sovereign power must be compelled, *a priori*, to make a comprehensive effort to embody the wills of those over whom it rules in its will before it is entitled to act upon them. Anything less than this is not truly a *Rechtsstaat*; for anything less than this has not truly sought that amplitude of knowledge without which, in any real way, demand cannot be satisfied at its maximum. Anything less than this means a failure to take into account the conditions of that successful co-ordination by which alone the authority of the state can hope for justification. Only in the

degree that this is attempted, can the state be called true to the law of its being.

I have elsewhere attempted to describe the kind of institutional pattern to which such a sovereign power must conform.[1] Here I can only say that, as a pattern, it seeks to build into the form of the state that reality outside by which the success of law-making is determined. Those who seek to retain the classic theory of sovereignty in new form are ready, it appears, to accept the view that the organisation of its instruments stands in need of through-going revision.[2] They realise that a legal claim cannot hope for the validation of fact except by genuinely meeting the needs it encounters. They see that the historic formulæ of representative government—whether in its parliamentary or congressional form —are no longer adequate to the kind of society in which we live. But they make, I think, the mistake of assuming that the problem is solved when a reconstruction of the pattern has taken place, however adequate that reconstruction may be. They believe that there is some mechanism for making sovereignty an expression of what Rousseau termed the general will of the community.

That belief, I suggest, is profoundly mistaken for the simple reason that there is no general will in the community at all. We never encounter any will that can be denominated good by definition. We do not, indeed, ever encounter in the community a will the unity of which is effectively comparable to the unity of will in a human being. A number of minds does not become one mind any more than a word is a tree or a hive a bee. The will of the state is the will of certain persons exercising certain powers. This will cannot be termed " general " in the sense that Rousseau gave it, until we know what it is seeking to do and the motives which underlie its effort. Its value becomes attached to it as we meet its nature and declare its character: it is not simply *a priori* there. The will of the state may be made to approach " generality " the better it is organised for that end. But organisation as such can never assure it of generality until we know the purpose to which it proposes to devote its powers. It is not even decisive that a state should announce its will in full conformity with the terms of the Constitution. For before we could declare that it was entitled to obedience, we should need to know both the character of the constitution, on the one hand, and the purpose to which, on the particular occasion, it was being devoted upon the other.

[1] Cf. my *Grammar of Politics*, ch. vii, *passim*.
[2] Cf. Elliott, *op. cit.*, especially the last chapters; and A. D. Lindsay, in *Mind, Matter, and Purpose* (Aristotelian Society), especially pp. 43-4.

No theory, in fact, which seeks to make the transference from state to government can fail to admit the possible perversion of power. And no theory which scrutinises the historical process to discover the conditions under which power is usually perverted can be satisfied to declare the inherent primacy of the state-will in any other than a formal sense until steps have been taken to erect safeguards against those conditions of perversion. If, as I have argued, for instance, each member of the state has an equal claim with others to well-being, conditions which are historically incompatible with the realisation of that equal claim must be removed simply because their presence alters the evidence of state-action to the advantage of some special section of the community. The state becomes an instrument of that section. It has been, in the past, the instrument of the aristocracy, whether of race or birth, of a particular religion, of a special class. When the state undertakes to enforce its interpretation of social need, the validity of that interpretation depends very largely upon the influences to which those who make it are interpreted. In a state, for example, divided, like the modern capitalist state, into a small number of rich and a large number of poor, that unequal distribution of wealth inevitably introduces bias into the character of state-action. *Mutatis mutandis*, the same is true of a community like Russia. There, the demands the state proposes to satisfy are the demands which the Bolshevik party believe it is desirable to satisfy. That party has identified its conception of good with the total well-being of the community. Its interpretation may be made from the highest motives ; but it is a biased interpretation, which ignores the factor of consent and assumes that power as such creates right. I cannot accept that view. I should agree that when a constitution is built upon the wants of men and operates so as continuously to satisfy those wants, it is entitled to obedience. But this raises the questions : (*a*) What is a good constitution ? ; (*b*) who decides whether it is good ? ; (*c*) and who decides whether it is good in operation ?

My own view is clear that these questions can only be answered in terms of the judgment of individual citizens. They are the persons who feel the results of state-action in their lives ; they, therefore, are the only persons who are entitled to pronounce upon its quality. They make the law valid by consenting to it. They consent to it as it satisfies their desires. A good law, therefore, is a law which has, as its result, the maximum possible satisfaction of desire ; and no law save a good law is, except in a formal sense, entitled to obedience as such. This view, of course, involves an

empirico-historical theory of politics. It means that a constitution is not likely to be good unless men equally co-operate in making it, and working it, for the simple reason that, historically, classes and persons excluded from a share in power are always excluded from a share in benefit. Because, therefore, each citizen is an end in himself, each citizen must know that his desires are so counted that, equally with other persons, he has a chance of self-realisation. He is entitled to the conditions which assure him that his desires will be counted; and these conditions must be inherent in the fabric of any state which seeks to present itself as worthy of obedience. Where, alternatively, those conditions are absent those for whom they are absent are entitled to deny that the state is the guardian of their interests; and that denial carries with it a title to disobey.

I have termed this view the pluralistic theory of the state because it is rooted in a denial that any association of men in the community is inherently entitled to primacy over any other association. Neither legal authority nor width of declared purpose can give that primacy; title to it depends always upon performance, and of that performance individuals are always the judge, because it is in the quality of their lives only that it is in fact measurable. It is objected that this is a doctrine of contingent anarchy, that no state worthy of the name can be satisfied with a view which leaves open the possibility of dissent from its will. Such a state, it is said, will be, in Madison's phrase, "a government in name only." But the objection, after all, is purely formal. Ever since Hume showed that even the most despotic of governments is ultimately dependent upon public opinion, theories have been illegitimate which sought to confuse legal unity with moral unity. Pluralism is simply an explicit protest against that confusion. It is an attempt to recover the individual conscience as the only true source of a law which claims obedience from its subjects. It is a recognition that no jurisprudence can hope for adequacy which separates the idea of law from the idea of justice. It seeks the content of the latter conception in terms of the initial postulate that man is an end in himself and, therefore, entitled to the conditions which enable him to realise himself as an end; those conditions, where equally maintained for all, it equates with the idea of justice. It does not deny the need in society either for rules or for organisations to maintain those rules; but it does deny that such a need involves the concept of a sovereign state, or the attribution to that state of an inherent supremacy which enables it to dominate all other associations in the community. It insists that

the right to make rules is always conditioned by the quality of the rules that are made.

To the critic who points out that some one must define the limits of authority in the individual and the group, that the sovereign state is merely a convenient hieroglyphic for this purpose, the pluralist has, I conceive, at least two answers. He can argue, first, that as a matter of history the function of definition is never wisely performed unless certain conditions are fulfilled, and, second, that once sovereignty is possessed by a state, those who exercise it in the name of the state always effect the transition from legal formality to moral right. Every government claims that it is wrong to break the law. To the pluralist that judgment can only be made when it is known what law is broken and under what circumstances. There are realms of conduct, both individual and collective, into which, under circumstances, he would deny that the state has a right to enter. He would not merely question the wisdom of its entry ; he would go even further and argue that the organisation of the power under which government operates ought formally to deny the existence of such a right. Seeking, also, the realisation of the individual as an end, he would postulate the conditions upon which that realisation depends as principles which the ultimate authority, however organised, must respect, which, also, under all circumstances it must be powerless to change. The state, for him, is an organisation, like any other, charged with the performance of certain functions. He cannot see that the character of those functions entails the right to sovereignty. For realism compels him to admit that this is the entrustment of unlimited authority to ordinary and fallible men. There are no guarantees possible that such authority will be justly used. The need, consequently, is paramount to deny title to its possession.

A right to sovereignty, moreover, does not exist for the sake of sovereignty : it exists for the ends sovereignty is to serve. A right to sovereignty must be correlative with the duty of fulfilling those ends. These, as I have said, are in their sum the maximum possible fulfilment of desires. The logical inference, therefore, from a right to sovereignty would be a duty so to organise and exercise the sovereign power as to secure the ends for which it exists. To argue, as Jellinek and his school argued, that the theory of auto-limitation fulfils this condition, is to miss the point that a will bound only by itself cannot be conceived as objectively bound ; for an obligation of a form of conduct which the body obliged can alter at will, and yet never chooses to alter, either suggests a power outside that

body and controlling it (in which case it ceases to be sovereign), or suggests the subordination of the body to principles inherent in human personality of which the state-will is then the subject.

These dialectical tangles are unsatisfactory. It is better to say quite simply that the idea of a sovereign state is at variance with the idea of law once that idea is conceived as related to a moral end. For any other conception of law makes it unconnected with reason or good except by its own choice; and would leave unexplained why that choice should be made. The action of a sovereign state binds as such without regard to whether that action fulfils the obligation to which the state is bound by its inherent character. The character of such a state proclaims not only its inability to discriminate between right and wrong, but even a positive indifference between them. The sovereign state makes positive law; it does not make a law in which there is any inherent relation to justice. Such a positive law is merely an expression of power; power is morally neutral until its substance is examined. Since no state automatically wills that by which men ought to be bound, it is neither necessary nor desirable to accept its sovereign character. The state must derive its law from principles beyond itself, if the character of its policy is to have a morally valid claim upon the allegiance of men. In any other context, law is empty of all title to consent save the naked assertion of its power to enforce obedience.

V

Nor must we omit the international aspect of the problem. The doctrine of the sovereign state becomes a theory of international law in two ways. On the one hand, by the rigorous logic of its primary assumptions, since law is the will of the state, it is compelled to insist that no rules of international relations have the force of law save as the state consents to them; on the other, most largely through the influence of Hegel, by its argument that the state is the ultimate embodiment of moral values, it assumes that international rules are valid only in so far as the state chooses to accept them for its purposes. Since the state is the ultimate and highest form that allegiance can take, it either denies altogether the existence of an international community which is above, or beyond, states; or it argues that while the mutual life of states may make such a community, its rules cannot be binding upon them since the interests each state protects in that international community are the highest it can know. To bind the

will of the state, therefore, to an objective international law outside its own will is both mischievous and undesirable.

It is difficult to put in moderate terms the degree to which either aspect of this doctrine is undesirable. By making the self-preservation of the state the highest duty it can know, it insists that the state is bound by no rules which it does not regard as serviceable to that end. International law merely becomes a body of convenient doctrines which a state is free to reject or accept as it pleases. It is not bound by any agreements or treaties; it is not responsible for any wrong; there are no moral obligations governing its relations with other states. As an eminent exponent of this view has pointed out,[1] its logic demands that right and wrong be the outcome of the exercise of successful force, and victory in war is made the true judge of international controversy. I reject this view of the state-claim in the international field upon exactly the same grounds as in the municipal. The sovereign state in international relations is a body of persons making decisions. They have the legal right to make those decisions; but nothing is, or can be, *a priori* known of the moral quality of the decisions made until we know their content. That a state refuses to fulfil a treaty it has signed makes it no more valid that it should refuse to accept its obligation than that a merchant should refuse to fulfil a contract he has freely made. That a state should make war without provocation no more makes that war just than that a man should commit an unprovoked murder. A treaty forced upon a defeated state against its will is no more right than a contract forced upon one of the parties to it under consent. The goodness or badness of law is independent of the parties to it, or of their power. It is a function of the substance of law, a judgment upon what some decision actually proposes to do. It is no more logical to allow a state both to make its own law, and then judge its validity, than it is to allow the private citizen to be judge of his own actions. Law must be objective to the state in the international, as it is objective to the individual in the municipal field. Adequate international relationships are impossible, if on conflict law is merely to mean the rule of the stronger. For that is exactly the divorce of law from justice which defeats the whole purpose law is intended to serve.

Nor is it true to say that international law finds its sanction in the sovereign will of states.[2] The recognition of a new state is

[1] E. Kaufmann, *Das Wesen des Völkerrechts.*

[2] See all this put admirably in H. Lauterpacht, *Private Law Analogies in International Law*, ch. ii. I cannot over-emphasise my debt to this brilliant monograph —the most significant British contribution to post-war international law.

not followed by an announcement from that state that it accepts the rules of international law ; nor is it possible for the new state to pick and choose between them. To argue, as Oppenheim does, that a demand for recognition, by Communist Russia, for instance, is to be taken as an implicit acceptance of the binding force of international law, is to introduce fiction of a peculiarly unedifying kind. The facts have to be explained very differently. What we are presented with is a system of states equal in the sense that each has an identical right to the protection of the law. That is a position inherent in the notion of states as sovereign ; for, logically, once sovereignty is in question there can be no discussion of superior and inferior. But this right to equal protection of the law is obviously incompatible with the idea of law as merely a subjective state-right, which each state imposes on others if it will or can. Law here must mean an objective body of principles above all states, laying obligations upon them they have no legal alternative but to accept. The very fact, indeed, of a need for recognition means that states cannot, in the international sphere, make or unmake law as they please. But the power to make or unmake law is what the formal theory of jurisprudence means by sovereignty, and if this power be absent in states, it cannot be claimed that they are sovereign.

Or let us take a doctrine like the famous maxim *pacta sunt servanda*. The classic theory of sovereignty says that this rule is binding because states will to observe it, and they are equally free to refuse to will its observance if they so please. If we ask why states so will it as law we are told that it is because of the difficulties to which any other attitude would give rise. But that is an explanation which formal jurisprudence is not entitled to adopt. It can only say that the rule is binding independently of the will which accepts it, or the causes which make for acceptance. The will is in fact binding from its inherent nature. It is an objective norm of a legal order which must be postulated as underlying all states and providing them with the principles by which their life is lived. To say that states break the rule no more deprives it of its validity than the law against murder is rendered invalid because a man commits murder. Any other hypothesis, as Bluntschli saw long ago, would make international law not merely an inferior kind of contract, but one in which no agreement was ever binding when a state changed its mind, and in which, as he said, a change in the state's will produced a change in the law. Such an outlook results in impossible contradictions. Jurisprudence must be subject, not less than other sciences, to the maxim

that no more causes are to be predicted than are necessary to explain the phenomena. To make international the creature of the sovereign state's will is to pile the Pelion of fiction upon the Ossa of undemonstrable assumption to a degree that is intolerable.

The difficulties of the lawyer who insists that international law is merely the will of the state in the external field are by no means over even at this point. The whole history of the practice of international arbitration is the history of the adoption by tribunals of rules of international law the source of which cannot, even by the wildest use of fiction, be found in the will of the state. Phrases that desire a decision to be made in accord with " principles of justice," or " considerations of equity," or, again, " on the basis of respect for law," all clearly indicate that the idea of law is, for international purposes, outside and not inside, the state's will. Nor, moreover, can one read the Statute of the Permanent Court of International Justice without seeing that its underlying assumption is the notion that the absence of a fixed rule must not mean a refusal to judge. The business of the Court is not to pronounce itself without jurisdiction, where the will of states is undiscoverable, but to make a suitable rule in terms of alternative sources which can only be explained as valid on the hypothesis of objective norms sanctioning inferences of the widest character in terms of the needs of an international legal order above individual states.[1]

Nor need we accept the view that only states can be the subjects of international law. The post-war world is littered with organisations which are certainly not subject-states, but, equally certainly, are the subjects of international law. This is an antiquated view which flows from the assumptions of formal jurisprudence and not from the facts of international life. International law has to concern itself with the rights and duties of the League of Nations, of international unions, of the members of the British Commonwealth of Nations, of pirates, of rebels who are recognised as belligerents, none of whom possess the formal indicia of statehood. It is by no means inconceivable that, in the future, we shall see individuals recognised as possessing an international status, able, for instance, to sue a state that has done them wrong in an international court. International law is theoretically capable of laying rights and duties upon men as well as upon states ; the present conception arises only from the way in which its foundations have been formulated and not from its inherent nature. For it is equally as valid to postulate the exist-

[1] Cf. Lauterpacht, *op. cit.*, pp. 215 f.

ence of an international community the character of whose law requires that every person who acts internationally shall be a subject of the law of that community as to postulate a society of states in which no persons save states shall be recognised as the subjects of rights and duties. The present system is a deposit of historic categories invented to explain a given body of facts. It is no more valid for all the facts we encounter, or all the needs we have to meet, than Euclidean geometry is valid for the total universe of geometry.

At this point, indeed, we can go further. International law has been built upon the idea of the state as a legal personality the will of which embodies a will compounded from the separate wills of all its subjects. Now this view of the state is metaphorical only, since the state itself can act only through persons. When we take a community politically organised into a state the will of that state is the will of the person or persons entitled to act in its name. There is not a single will in any other sense than that of a legal capacity attaching to some persons and not to other persons. From the angle of an international community concerned to maintain law as the inherent expression of its ultimate nature the will of the state must be a will for that law; a will against it cannot be legal in any sense which is valid. For that would mean a right in the state to will the absence of law, to overthrow the system of jural relations in which it is necessarily involved by the fact of being a state. From this angle, it must follow that legal supremacy belongs to the body of rules which make up international law, and that the rules of any other society are of lesser significance than these. The state, that is to say, is bound in the rules it makes by the superior rules of the international community to which it belongs. It cannot make and unmake them, any more than the individual can make or unmake the law of the state of which he is a subject. The personality of the state is, so to say, an inference from the fact that it is a part of the international community. It is a way of conferring legal capacity upon certain persons within a juridical community to enable them to formulate rules which have no validity if they conflict with the fundamental rules of the society in and through which its capacity arises. A state, therefore, cannot legally will what it pleases; it can only will what is consistent with the superior will of the international community. Its personality is a capacity in its rulers to act for that end, but for no other end.

From this, I infer the supremacy of international law over the law of any given individual state. I assume that a jurisprudence

which seeks to be scientific has no alternative but to regard the community of states as what has been termed a *civitas maxima* the law of which is primary over all other law.[1] States, in this conception, appear to me as provinces of this *civitas maxima* whose authority is derived from the rules discovered to be necessary for the maintenance of the common international life. Apart from this conception, I see no way of arriving at a body of axioms capable of explaining the relationship between states assumed to be equal in international intercourse. No state can have a legal right to enforce its will upon another state if both are sovereign ; force in the international sphere can only be valid upon the assumption that there is a body of legal rules over and above both to which each equally conforms. A state is then entitled to force in order that the legal rules may be maintained. Any other view must assume ultimately that force makes law ; that what is alone valid in the international sphere is the rule of the strongest which is in fact law. I have already rejected this view as incompatible with the facts, especially with the doctrine of recognition, in international relations. International law cannot be, as Hegel argued, merely an external municipal law, since it would then be changeable, as it is not, at the will of each individual state. It is not merely, as Austin suggested, a " positive morality," since it is the rules of a society which, even if more loosely and feebly organised than the state is, in Westlake's phrase, " as necessary to human existence as the state itself."[2] Right and wrong are notions relevant to the relationship between states, and such notions predicate the existence of a society of which those states are a part. But a society without law is inconceivable. The norms, therefore, of that society are the necessary rules of its intercourse for the realisation of right and the avoidance of wrong. The universality of this international society presupposes the primacy of its norms over those of its parts. The state, therefore, is a subject of law which presides over its being and limits the nature of the objects it can seek to attain.

VI

In the light of this conception let us return to the formal theory of law on its internal side. Law, it is maintained, is the will of the sovereign state ; and the will of the sovereign state is law because it knows no superior. For jurisprudence, therefore, the content of

[1] Cf. Kelsen's famous monograph, *Das Problem der Souveränität*, 2nd ed. (1923); I L. Kunz in *Proc. Grotius Soc.*, Vol. X (1925), pp. 115-42 ; Verdross, *Die Einheit des rechtlichen Weltbildes*.

[2] *Collected Papers*, p. 13.

law, the nature of the norms made by the state, is irrelevant. What it is concerned with is capacity to act, not what that capacity actually does. Any attempt to go beyond this view belongs not to the field of jurisprudence, but to politics, or morals, or psychology. No questions in these realms can, it is held, affect the validity of the formal conceptions of law. It is, indeed, even claimed that this methodology will have the desirable result of removing confusion from political theory.[1]

I suggest that this is an entirely mistaken point of view. Were the categories of formal law axiomatic in the sense of being inescapably necessary to the structure of a scientific jurisprudence the problems they involve might assume a different character. But, in fact, they have an origin which is meaningless apart from a system of special historic conditions in Western Europe, and they only partially summarise those conditions. They make the construction of a philosophy of law impossible because they refus to consider the relation of law to the totality of circumstances under which it must operate ; they omit from their equations all the problems to answer which it is in fact necessary to construct a science of law. They refuse to consider the problems of conflict and valuation. They see no meaning in the grave issues which arise from the choice of a point of departure, and the application to life of its results. The validity of their results, therefore, holds only of a static world in which there are no stresses and strains with results because these exist and alter life. If ethical conceptions have altered the law, if economic change has meant its adjustment, law cannot neglect either ethics or economic change. It is the static character of the formal theory of sovereignty which explains its helplessness before the phenomena of international law ; these it can only resume by the invocation of fictions utterly unconnected with reality. The formal theory, indeed, is like the relation between the ceremonial and the operative parts of the British Constitution. The King may ride in the carriage, but it is the Prime Minister on the pavement who effectively makes the decision. A theory of the state which emphasises formality at the expense of substance is not likely to possess final value. It abstracts the legal system from the context in which alone its meaning can be found.

Formal jurisprudence, therefore, is an answer to the problems of power existing at any given time ; and even to that it is only a partial answer. The categories it employs are those which

[1] Prof. W. W. Willoughby, in *American Political Science Review*, XX (1926) p. 510 ; and see his *Fundamental Concepts of Public Law* (1924), *passim*.

enabled effective demand to be satisfied roughly since the Reformation; but there is no sort of certainty that they will continue to provide that satisfaction. The new facts of a world-order both in the legal and in the economic sphere, are making our political conceptions rapidly obsolete for the purposes they have to fulfil; and formal jurisprudence has been built by its makers in terms of those conceptions. Men live to satisfy demands, and they recognise as valid only the institutions capable of their effective satisfaction. Our system was constructed, by men like Bodin and Hobbes, and Hegel, at a period when the hinterland between states was not only not organised but was not unnaturally deemed incapable of organisation. Our whole theory of the state has accordingly been conceived upon the assumption that it was the final form of institutional pattern, and even a body like the League of Nations was constructed by men faithful, in the main, to that ideal.

The facts, I suggest, have outgrown this view, and the developments require the construction of a new juristic edifice. The institutional pattern we need for an adequate theory of politics must take regard to the demands which require satisfaction and the way in which that satisfaction is to be attained. Here, surely, the unity we have to consider can only be properly understood in terms of the universe of facts to which it is relevant. If miners in England demand an adequate wage, it is the international coal problem and not the national that we must seek to compass. Stable financial conditions in London are a function of Chicago and Calcutta, of Berlin and Tokio. These inter-relations have to be organised in order that we may render satisfaction to those who live by their results; and the inference that must be drawn herefrom is the need for a political philosophy, not in terms of the nation-state as the final source of unity but of a cosmopolitan order in which the nation-state is being rapidly reduced by the facts to the position of an uneasy and unsatisfactory province. The solutions made by the law-making body in any given state will only work in even the national sphere if they fit the facts of this cosmopolitan order. They have no assurance of adequacy save as they are built upon the working-consent of at least its major part.

The inference from this is, I think, of supreme importance for a working theory of law. The epoch of Grotius, so to say, is drawing to a close. Instead of building up the conceptions of international law from the relation of states one to another, we shall, in the future, have to build up national law as a system of inferences

from the rules of an international law far wider in its incidence than national law can claim to be.[1] It is not likely, in this new world, that any state will have, even formally, ultimate powers: it will be much more akin to the province of a federation, having authority over a defined sphere, but finding that its powers beyond that sphere are strictly limited. England, for instance, may well discover that while it may prescribe the penalties for murder, it cannot control the hours of work for miners; that while it may make its own traffic regulations, it cannot settle the scale of its tariffs. The process of government, in a word, has escaped from the categories in which the nation-state sought to imprison it. Some part of its functions, at least, are obviously destined to transference to a new authority by whose commands the nation-state will be bound. It will lack, from the very nature of the cosmopolitan order, the power to make final decisions in any sphere save that allotted to it by the needs of that order. It will fail to correspond to the formulæ of classical jurisprudence, and new formulæ will be developed more adequate to the needs jurisprudence must meet.

This indicates, I venture to think, that the approach to law cannot usefully be made in any terms which postulate the state as its ultimate source. Law is the operative satisfaction of effective demand, and its sources are as varied as life itself. The state is the organ through which the government registers the fact that some given demand has secured a factual title to satisfaction: it is an announcement that behind this given demand there lies, prospectively, the coercive power of society. But, clearly, the state is no more than the form such registration now assumes. There is no *a priori* necessity that it should assume this particular form and no other form. That depends upon the character of social organisation at the time when some effective demand searches for satisfaction. And the value of approaching the problem from this angle is that we are not compelled by our definition to put the orders of the government into a category different from the orders of other organisations. We learn to see them, as we ought to see them, as species of a wider genus. Any association which issues orders to its members makes law for them which differs in degree rather than kind from the laws made in the name of the state. The power, also, of other associations is a power it is difficult to differentiate, again except in degree, from that of the state. It may be granted that the authority of the state

[1] Cf. my forthcoming work, *National Independence and the Theory of an International Community*.

is utilised to make its orders binding upon all within its jurisdiction: it seeks, within that jurisdiction, universality. But we must be careful not to mistake the character of that universality. It is a universality simply of formal reference. It makes unity upon the ground that unity in some given realm of conduct is held by those who operate the machinery of the state to be desirable. It does not tell us why it is so held: it does not tell us whether its recipients will so regard it: and it does not, finally, tell us whether it ought so to be regarded. Yet a true philosophy of law ought to explain all these things if it is to satisfy those over whom its sanctions operate.

A theory of law, in fact, which does not start by postulating an end for law, can never explain why law ought to be obeyed; and there is, surely, no point in making rules except upon the assumption that they are entitled to obedience. If we assume that law is made in order to satisfy human demands at that maximum which is socially possible we have at least a criterion by which to create an effective system of values. Therefrom we can infer a pattern of institutions which, at any given moment of historic time, enables us to explain the character of their operation. Such a theory of law has the merit of escaping subordination to the state. It attaches values to the institutions which satisfy its purpose, and to no other institutions. It explains why associations live and die, for it shows that their life is set by their ability to satisfy effective demand. It does not perish in the formalism of that categorical hierarchy which makes the state ultimate either on legal or on moral grounds. It makes the state ultimate only when its activity enables maximum demand to be satisfied. But it insists, as the facts insist, that maximum demand may be satisfied only by refusing obedience to the state, or, conceivably, by going beyond it to a cosmopolitan order which must make the rules if demand is to hope for satisfaction.

This is, of course, a pluralistic theory of law. It is so because the facts before us are anarchical. We reduce them ourselves to order by being able to convince men that some unity we make means added richness to their lives. We encounter everywhere not allegiance, but allegiances in men. We are not warranted in seeking their reduction to a Procrustes-like unity which is formal only in character. An institution cannot seriously expect to be obeyed merely because it is an ultimate point in a series where that series itself is a merely logical construction. Institutions can only secure obedience in terms of the values that obedience creates; and if the values are denied by those in whose lives they are to be

effective in the long run, obedience will be denied also. From this angle, in short, we can make the necessary bridge between the formal demands of law, and those other contexts, ethical, economic, political, psychological, which give the abstract legal claim its validation in the event. Above all, such a view as this puts the source of law where it most truly belongs, in the individual consenting mind. For we each of us judge the commands we receive by their relation to our experience of life; and the success of the institutions which formulate commands is a function of their ability to convince us that their response to that experience is continuously and deliberately creative.

The Worshipful Company of Framework Knitters (1657-1778)

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THE Chartered Company has received a generous share of attention from students of widely different types. At one end of the scale is the sheer antiquarian, interested only in its picturesque detail, its flags and furniture, its ceremonial, its elaborate meals; at the other end is the social theorist, weaving its ample material into the pattern of his thought. Between the two, the mere historian moves uncertain, perpetually tempted to offer, with proper humility, a shred of new evidence to the theorist, and again stooping to share a "glittering something" with that miser of choice facts, the antiquarian. Uncomfortable as the historian may be in such company, he feels he is not entirely unwelcome, since all are agreed that the subject of the Chartered Company, at least on the side of its social implications, is not yet fully resolved. For this reason the history of the Framework Knitters' Company during the period of its activity is here presented as an addition, small but not entirely without originality, to the large family of Company Histories already in existence.

The Company started, it would seem, as an organisation of trading and industrial capitalists with monopolistic authority throughout England and Wales, with a sister Company in Ireland, and it became in spite of itself the champion of the oppressed journeymen and the unwilling parent of a trade union. Revived by the leading employers in the late nineteenth century, it has continued to the present day as an ornamental body, devoted to the administration of charitable funds for aged stockingers, the fostering of technical education among hosiery workers, and the provision of periodical dinners for themselves. With this brief survey of the industrial background from which the Company sprang, and the destiny to which it has come, the rest of this essay will be confined to the period of its chief activity, from its first appearance in 1657 to its eclipse in 1779.

It is unusual to employ the term "accident" in accounting for

the rise of an important industry, but in describing the extraordinary beginning of framework knitting it is difficult to use any other. Dr. Thoroton is content to tell us that William Lee, "seeing a woman knit, invented a loom to knit."[1] It may have been because he was in love, as other authorities state, or because he was a mechanical genius, incarcerated in a country parsonage, who whiled away his ample leisure in the construction of a new and revolutionary machine, upon which he knitted a pair of silk stockings for Queen Elizabeth herself in 1596.

The stocking frame, thus sprung complete from a man's brain, without the prompting, as far as can be ascertained, of previous experiments, was, for those days, an exceedingly delicate and costly mechanism; in the opinion of those who petitioned Cromwell in 1655 for incorporation,[2] it was the most complicated machine for the manufacture of articles of apparel that was to be found in the world at that time. The frame upon which Lee made his first pair of silk stockings contained no less than sixty needles, side by side with sixty sinkers, in the space of only three inches,[3] every part of which had to be made and fixed with utmost nicety by hand. This surpassing achievement, it is said, was the result of seven years' incessant labour, and as far as at present is known went utterly unrewarded.[4] But apart from the work of Lee himself, which surely must be put in the highest category of mechanical genius, the making of the two thousand and more separate pieces of steel, lead, and wood, each requiring the greatest accuracy, was no light task for native craftsmanship. The stocking frame, thoroughly English in origin and construction, helps to set off the many debts contracted by Tudor and Stuart industry to foreign mechanical skill.

By the middle of the seventeenth century a certain degree of specialisation in the actual making of frames seems to have developed. Many frames, it was complained in 1658, were made specially for export, and an Italian merchant was declared to have bespoken between thirty and forty to send abroad.[5] The tendency towards specialisation is clearly expressed in the petition for incorporation sent in to the Cromwellian Government in 1655, where it is stated that the profits of the industry "are diffused among merchants, owners of ships, hosiers, dyers, winders,

[1] *Thoroton's History of Notts*, edited by Throsby, Vol. I, p. 42.
[2] Deering, *History of Nottingham*, p. 306.
[3] The frame appears to have been a twenty gauge three-needle frame, i.e. twenty leads each with three needles and three dividing sinkers within three inches. See Henson, *History of Framework Knitters*, p. 17.
[4] For vague tradition to the contrary, see Henson, *op. cit.*
[5] S.P. Dom., 1658-9, Vol. CLXXXIV, 341.

throwsters, sizers, seamsters, trimmers, wire drawers, needle makers, smiths, joyners, turners, with many other assistants," while the petitioners themselves are merely " the prime wheel " and gather only thereby an ordinary ability to make the rest move.[1]

Specialisation in the making of frames which in the eighteenth century produced the separate functions of framesmiths, needle-makers, sinkermakers and setters up,[2] and greatly reduced the cost of the frame, had not gone sufficiently far at the period under review to bring the frame within the reach of the poor man. Indeed, the Italian merchant mentioned above paid as much as £80 per frame, which it was admitted was a high price, even for those days ; but by 1718 the value of two frames in the possession of a farmer and framesmith of Selston, Nottinghamshire, was only £8 and £7 10s. respectively.[3]

Besides the heavy initial outlay, the framework knitters in the early days of the industry had to meet considerable working expenses, as the stocking frame up to 1660 was a double-handed machine, and required two operatives to complete the motions of knitting,[4] besides the subsidiary processes of winding and seaming, usually done by members of the stockingers' household.

From these considerations it seems clear that the framework knitting industry from the beginning must have fallen into the hands of a fairly substantial class of operatives. It should be remembered, however, that the high initial expense of the frame could be overcome by obtaining frames on hire, a practice which existed at least from 1663, when it is mentioned in a copy of the rules of the Framework Knitters' Company.[5] It may well be, however, that there were "embryo factories" in the industry from the beginning, for Lee himself employed nine workmen, and the practice of hiring out frames would tend to increase the control of the large owners of frames over the actual operatives. Further, it should be stated that the material worked in was almost entirely silk; the workmen in the seventeenth century were generally known as the framework knitters of silk stockings, and their output, according to their own statement, was mainly for export abroad. "Not only is it (the Framework Knitting industry) able to serve your Highnesses' Dominions with the commodity it merchantably works," they state,[6] "but also the

[1] Deering, *op. cit.* [2] Deering, *op. cit.*
[3] M.S. Notts Quarter Sessions Rolls, Aug. 26th, 1718.
[4] Blackner, *History of Nottingham*, p. 214, and Appendix to Report of 1812, p. 25.
[5] Found by Mr. E. L. Guilford, M.A., in the Nottingham Exchange and kindly lent to the present writer. [6] Deering, *op. cit.*

neighbouring countries round about where it has gained so good repute that the vent thereof is now more foreign than domestick. . . . The best artisans bend their best endeavour all they can to the foreign vent, as well as leaving the home sale in great part to the Common Knitters." It would seem from this that the industry was, at an early stage, dominated by the trading interests. Gravenor Henson states[1] that after the Restoration " the trade was carried on by two sorts of employers, one was hosiers who made their own goods and kept retail shops, and the others made their goods and sold them either to their connections by taking orders, or to the retail hosiers." If this statement is true, it throws light upon the origin of the movement which culminated in 1663 in the incorporation of the industry under the title of the " Worshipful Company of Framework Knitters."

The Framework Knitters' Company received its first Charter of Incorporation in 1657 from the Government of Oliver Cromwell. There appears to have been an embryo organisation in existence before the actual incorporation of the Company in 1657. The first petition for State recognition was made in 1655, in which it was stated that the framework knitters had " hitherto voluntarily among themselves kept order in their trading according to the duty of probationers (hitherto) without making any request to the State for particular maintenance and protection until they have found themselves risen unto a number not incapable of incorporation."[2]

One of the chief reasons advanced in support of their plea for incorporation was that the industry was in imminent danger of being transplanted abroad, to the great peril of the home manufacture. The petitioners quoted one case after another in which their trade, " the nonpareil of handicrafts," had been in the utmost danger from the envy of foreigners. Lee himself, on account of lack of encouragement, had taken his frames and workmen to France ; on his death all but two returned with their frames, " under whom (or the master workmen since risen under them) most of these petitioners had their breeding and served their apprenticeships." Of the two left behind, one was still surviving, " but of him these petitioners are in no apprehension or fear."

An attempt had already been made by Venice to capture the industry. " Near about that time a Venetian ambassador gave £500 for a remnant of time of one Henry Mead, then an apprentice

[1] Henson, p. 96.
[2] Petition to Cromwell as given in Deering, p. 306, and referred to in Cal. State Papers Domestic, Aug. 1st, 1655, Vol. C, No. 14.

to this trade, and conveyed him with his frame to Venice, where he wrought with great admiration of the Venetians. But as soon as necessity of reparation of his frame and instruments happened, for want of artificers experienced in such work there, and of ability in him to direct them, the work prospered not in his managing. Affection to his native land brought him back again to England.

" After his departure the Venetians grew disheartened and impatient of vain trials, and they sent his disordered frame and some of their own imitation to be sold at London at a very low price."[1]

In addition to these open attempts to capture the trade, there appears to have been a danger that the invention would be pirated abroad by some unscrupulous fellow-countryman of the inventor. In 1612, for instance, a petition was presented by an Englishman, Southcot Vaymouth, to the Doge and Council of Venice for a patent for a new and ingenious method of knitting. He and his relations, he declared, had spent thousands of ducats upon experiments in mechanical knitting, and having found a way they considered to whom they should offer their beautiful and useful invention. " I resolved," he says, " to bring it to Venice, which is wont to welcome every honest and industrious man, especially of our nation, which is popular here." And in order that he may not be defrauded of reward for his pains, he asks for a patent for forty years under a fine of a hundred ducats.[2]

The petition was approved by the Proveditori di Communi, who found that the invention differed essentially from the ordinary method of knitting, which was done by needles, whereas by the new process the work was woven on a frame.[3] The patent was granted,[4] but no further mention of Southcot Vaymouth is made, and from the fact that the Venetians continued their attempts to capture the trade by importing frames from England, it may be assumed that his machine, whether a pirated copy of Lee's or one of his own design, was a failure.

An attempt was made by another Englishman, Abraham Jones, to found the industry in Holland. He, with some more, " did pass himself into Amsterdam, and there taking some Dutch unto him as servants, erected frames and wrought for the space of two or three years, until the infection of the plague seized upon him and his whole family. His frames also (as things unprofitable to them

[1] Deering, *op. cit.*, p. 304.
[2] Cal. State Papers Venetian, May 22nd, 1612, No. 525.
[3] *Ibid.*, 1612, No. 527.
[4] *Ibid.*, No. 528.

that could not find out their right use without an able teacher) were sent to London to sell at slight rates."[1]

In the opinion of the petitioners, the safety of their industry could only be ascribed to the work of Providence, for, " in spite of continued efforts for the fifty years last past, the trade is still an art peculiar to our nation. And to the nimble spirits of the French, the fertile wits of the Italians, and the industrious inclination of the Dutch, a concealed mystery unto this day."

It might be asked how the formation of a Chartered Company would protect the industry from dangers of this kind. The answer was that by incorporation the system of apprenticeship would be established, which the petitioners regarded as the panacea for all industrial ills. They declared, for instance, that the industry had never been in any danger from those who had served their full term of apprenticeship here : it was such men as Abraham Jones, who, " by underhand courses and not by servitude as an apprentice, had gotten both the mystery and skilful practice of knitting (contrary to the articles of the rest of the company, that had taken some jealous notice of him)," and who had endangered the industry by taking it abroad.[2]

The necessity for apprenticeship is urged upon other grounds. In the words of the petitioners, " there are by other means than the way of apprenticeship so many intruders crept into this trade, that ill work and ill ware is everywhere offered for sale ; and the ignominy and disparagement thereof commonly imputed to the whole manufactory—notwithstanding much loss to true and allowable artisans and tending to their utter impoverishment, who in continual workmanship produce the best and finest and most approved merchantable and useful wares ever sold and bought in the memory of man, otherwise the petitioners could not have driven their trade through so many oppositions and difficulties."

The way in which the framework knitters were betrayed by unscrupulous individuals is thus described : " one here in London makes his profession and custom [of] exposing himself a teacher of this art and trade for any considerable parcel of money and to all manner of people without distinction, whether native or not, hitherto uncontrollably, [and] inveigle[s] and corrupt[s] apprentices from their masters, to discover and teach unto them the whole trade (and having gotten it) they pretend upon some scruple of conscience in matters of religion to depart from your Highnesses' dominions and set it up in foreign countries, as one not long since

[1] Deering, *op. cit.*, p. 304. [2] *Ibid.*

has done, whom the petitioners are labouring to recover back again."

Such are the reasons put forward in support of the plea for incorporation. Whether they represented the true mind of those behind the movement is a question that calls for further investigation. At least, common prudence demands as much in the seventeenth century as to-day, that the protestations of the company promoter should be submitted to considerable scrutiny before being accepted at their face value.

It has been suggested that the character of the industry from its earliest years was influenced by the high price and complexity of the machine, and the expense of working it. Added to this is the fact that the market was largely foreign, easily influenced by changes of fashion, and mainly dependent upon an exacting clientèle decked out in fancy silk hose, gloves, and waistcoat pieces. From these considerations it seems feasible to argue that the dominating influence in the industry was the trading master, with special facilities for equating supply with a highly susceptible demand. Moreover, it has been shown by Professor Unwin that the incorporation of the small master class[1] was strongly opposed after the Restoration by the City of London, in which trading interests were paramount, and the incorporation of the framework knitters would be subject to the same rule. As the petition for incorporation was favourably reported upon[2] by the Lord Mayor and Aldermen of London, to whom it was referred, there seems good grounds for supposing that whoever its promoters may have been, they did not belong to the small master or journeyman class.

The advantages of incorporation to the type of employer who seems to have been mainly responsible for the movement are not difficult to see. First of all, he would be able to set in motion the machinery of search and supervision which the Charter provided for the maintenance of the high standard required in a luxury industry like framework knitting; he could prosecute interlopers (unless they were already members of a London Company), and so prevent the undercutting of prices by unauthorised competitors; by demanding quarterage from those free of the Company the officials could keep an eye upon their members and so prevent the leakage of men and machinery abroad. By imposing a scale of exorbitant fees the employment of apprentices could be put beyond the reach of the smaller craftsmen; and, finally, by estab-

[1] Unwin, *Industrial Organisation*, pp. 210-13.
[2] S.P. Dom., 1655, Vol. CII, No. 72, 1.

lishing an organisation in which the ruling body was drawn from a narrow circle of the more wealthy masters, it would be possible to ignore the apprenticeship regulations whenever it might be to their interests to do so. Although no mention in the preliminary petition is made of the interests of the large body of small masters and journeymen which must have existed at the time, there can be no doubt that the attempt to obtain incorporation would receive their support owing to the protection which the Charter would ostensibly give to them against uncovenanted labour. But the degree of protection which they might expect from the Company depended first upon the measure of control which was meted out to them in the actual provisions of the Charter, and, secondly, upon the scale of fees which the poorer member of the Company would have to pay before he could take his place among the rulers of the trade. It becomes necessary, therefore, at this point to consider the constitution which was eventually set up.

The petition for incorporation which has been quoted so freely above was subjected to a lengthy consideration by the Cromwellian Government, and at last, in June 1657, a Charter was granted and the industry was incorporated under the Great Seal.[1] Unfortunately, no copy of the Charter has been preserved, and its contents are unknown, but shortly after the Restoration, in 1663, another Charter was granted, at a time, it should be noted, when the democratic ideas so vocal in industry as well as in politics during the Puritan régime were at a discount, and reaction was in the ascendant.

By the Charter of 1663 a Company was established in which the governing functions were placed in the control of a close self-perpetuating oligarchy of officials. This body consisted of twenty assistants, appointed by name for life, with the power to choose freely on Midsummer Day one master and two wardens from their own number, and vacancies in their own ranks were to be filled by election. Anyone elected by the Court of Assistants and who refused to sit without a reasonable excuse was to forfeit £10. The Court of Assistants also were empowered to elect deputies in other parts of the country, " to rule and govern all Persons exercising the Trade of Framework Knitting, in the same way as the Master, Wardens, and Assistants may do." Further, a provision was made for holding bi-annual feasts, one on Midsummer Day, and the other on the Lord Mayor's Day. This duty was imposed upon stewards

[1] But it was not signed by the Chancellor and Judges as required by 19 Hen. VII, and therefore could not be operated. See S.P. Dom., 1658, CLXXXIV, 34.

elected by the Court of Assistants, and was enforced by a fine of £6 in case of refusal to provide a Midsummer Feast, and £10 for refusal on the second and more important occasion. Finally, the two officers of the Clerk and Beadle were to be chosen by the Assistants and to be displaced at will. The treasure was to be kept in a chest with three locks, to be kept by the Master and Wardens, and to be opened in the presence of each other.

In 1713, the Masters, Wardens, and Assistants obtained permission to elect a Livery of sixteen members, " there being divers Eminent and worthy citizens Free of this City (i.e. London) that are Free of that Company and no other and are a sufficient number to make up a Competent Livery," the condition being that the Company should " assist on all Public occasions in the state and service of their City—and be enjoined to a constant attendance upon the Lord Mayor upon all Public Solemnities."[1] The fee for membership of the Livery appears to have been £10, and covered with it the Freedom of the City of London.[2]

It would be difficult to imagine a more exclusive body than that set up by the Charter in 1663. It was perpetual and irresponsible. Worse still, there were no provisions regarding the application of the funds raised ; auditors were appointed, it is true, but these again were elected by the Court of Assistants.

The following account of the financial provisions of the Charter will illustrate still further the exclusive spirit in which it was framed, and the determination with which the ruling group closed the door of ambition to the poorer members of the Company.

The entrance fee to the journeyman who had completed his training was 15s. ; in addition to that, payment had to be made upon taking apprentices. The master of apprentices was called a " work-house keeper," and before he could aspire to this status he had to submit a proof-piece of workmanship, usually a pair of fine silk stockings, to the examination of the Wardens of the Company.[3] Upon the acceptance of this he had to pay 13s. When he took an apprentice he was expected to present himself and his apprentice before the officers of the Company within a certain time ; if he lived within twenty miles he was given three months' grace ; if beyond twenty miles, six months', or forfeited £5 for every week he might neglect to appear. The binding of the

[1] Repertories, 117, 208, and 248, May 19th and June 13th, 1713, Guildhall Lib., London.

[2] City of London Livery Companies Commission, 1884, p. 422.

[3] This practice was commuted for a payment of 10s. before the end of the century.

apprentice cost the master 9s.; if he were dismissed without reference to the Company the master was fined 3s. 6d. Further, if the master refused to serve after having been appointed to one of the Company's offices he might be fined again up to the amount of £10. Besides enriching the coffers of the Company, these clauses must necessarily have operated against the journeymen who desired to become masters, and the masters who wished to take apprentices. It is not surprising to find that opposition soon developed among the poorer members of the Company to the control exercised by the wealthy and privileged oligarchy at the top.

The first recorded conflict took place in 1693, when, after complaining in a petition to the House of Commons of the continued exportation of frames, the Company went on to say that several members of their Corporation had lately got into a way of making slight work on purpose to undersell the rest of the Company, contrary to the Company's by-laws, whereby the trade had fallen into great discredit, and they prayed for a bill to regulate such abuses.[1]

The other side of the question did not long remain unstated. In the following January a petition of framework knitters in and about Nottingham was presented, setting forth that " the Master and Wardens, etc., of their Company, living constantly in London, have by their many by-laws imposed severe penalties on the petitioners, compelling them to come to London for their Freedoms, choosing petitioners for their stewards when they pleased, which office is only expensive; and laying great fines for refusal to serve therein, so that by their by-laws they raise about £200 per annum amongst the petitioners who have no manner of benefit thereby, and praying relief in the Premises; and the money so raised may be applied to set the poor of their Trade in the Country, who are very numerous, to Work."[2]

Nothing further is heard of this dispute, but it is interesting evidence of the rise of a country manufacture, a potential if not actual competitor with the London centre, and definitely opposed to the form of control exercised by the ruling oligarchy. At this time the trading masters of London had many advantages, owing to the fact that the industry was mainly concerned in the export and luxury trade in fancy silk goods—gloves, waistcoat pieces, fine silk hose—which necessitated close contact with the market; but as the hand-knitting industry gradually succumbed to the machine, the emphasis of production was laid more and more on

[1] *H.C. Journals*, Vol. XI, Dec. 11th, 1693. [2] *Ibid.*, Jan. 9th, 1693.

the cheaper lines of woollen and worsted in order to meet the demands of the growing industrial population.[1] For this purpose the Midlands were to prove themselves far better situated than London, owing, not only to the proverbial low rents, prices, and wages of the countryside, but also to their proximity to the supply of wool. The attraction of the country had not yet led to a definite shifting of industrial capital, such as occurred a few years later, and the fact that the Company could enforce its authority over the country stockinger, even to the point of making him come to London to take out his freedom, or to bind an apprentice, or to serve as steward, must have been a strong deterrent to such a tendency. Indeed, the stockinger of London, if he happened to be a member of another London Company, need not take out his freedom with the Framework Knitting Company at all,[2] a further argument for remaining in the city. Whether the Charter from its origin was definitely aimed at the country manufacturer or not it is impossible to say, but the fact that its jurisdiction was made to include England and Wales shows that the country trade, then in its embryonic stage, had not been overlooked.

A further stage in the struggle between the urban and country manufacturer is reached in the dispute of 1699, in which the restrictions placed by the Company on its growing rival in the Midlands are again the object of controversy. In this case the protest raised was the result of the joint action of the three framework knitting counties of the Midlands—Nottingham, Derby, and Leicester. On January 19th, 1699,[3] a petition was presented in the House of Commons purporting to come from framework knitters of those three counties, complaining that the Master and Wardens, who resided in London, were making by-laws and orders contrary to the law, that were very vexatious to country stockingers. " For instance," the petition continues, " they compel every apprentice when out of his time to go to London, though above a hundred miles from thence, to take out his Freedom; and many other exactions are imposed on the petitioners to the great decay of the trade."

The severe criticisms made against the Company attracted the attention of the House, and a committee was appointed to investigate the case. In the evidence submitted and given in the

[1] For further consideration of this, see later, pp. 30-2.
[2] See Unwin, *op. cit.*, p. 105.
[3] *H.C.J.*, Vol. XIII, 1699, Jan. 19th. This joint action of 1699 is an interesting forerunner of the well-known association of the Midland Counties of 1776, one of the most notable combinations of the eighteenth century.

Commons' Journals, interesting light is thrown upon the Company's objects and methods.

One of the worst abuses with which the Company was charged was its insistence upon calling men up to London to take up their freedoms. James Shaw complained that he had been put to such heavy expense by the journey to London and the payment of entrance fees that he had to work half a year to restore his position.[1]

Benjamin Green knew a man who was ruined on this account, and was never able to return to the country again[2]; and when it is realised that the man would have to pay 15s. for admission, and £1 2s. 6d. for the binding of each apprentice, in addition to the expense of the journey, such a calamity is by no means incredible.

A further source of complaint was the payment of quarterage. One witness, Gregory Willmott, declared there were two thousand country stockingers paying 6d. per quarter, for which they obtained no appreciable advantage,[3] and for which it was said no account was ever rendered.[4]

A third subject for complaint was the practice of arbitrarily choosing stewards and compelling them to provide a feast for the officials of the Company.

If they refused to accede to this well-established custom they were fined from £6 to £10, in accordance with the by-laws of the Charter. The witness, Benjamin Green, having been chosen steward, was summoned to make a feast; on his refusal an action was brought against him in London, which involved him in a charge of £50.[5] A collection had to be made to raise the fine of one man in order to prevent him from going to prison.[6] In spite of the fact alleged by one of the witnesses, that "the bylaw had been overruled in several arguments in Common Pleas," the Company still continued to choose stewards and insist upon their annual feast.[7]

A case was brought before the Court of King's Bench upon this point, and apparently at about this period, and a definite decision against the by-laws was given. It was urged that the feast was only for merrymaking, and not for serious consultations on the affairs of the Company: therefore, declared the Judges, "the by-law is unreasonable to compel a man to make a dinner for the luxury of others without any benefit to himself or the rest of the

[1] *H.C.J.*, Vol. XIII, p. 316. [2] *Ibid.* [3] *Ibid.*
[4] Evidence of Benjamin Green. [5] *H.C.J.*, Vol. XIII, p. 315. [6] *Ibid.*
[7] *Ibid.* This iniquitous practice continued throughout the eighteenth century: see Court Book, 1745, pp. 12, 15, 145, 150, for cases of stewards preferring to pay a fine of £6.

Company. And . . . members of a Corporation are not bound to perform by-laws unless they are reasonable, and the reasonableness of them is examinable by the Judges. Then this by-law to make a dinner cannot be good in this case of a new Corporation."[1]

Stewards continued to be chosen and dinners to be compulsorily given in spite of old Father Antic, the law. By a fortunate lapse of the clerk, a bill of fare was casually entered into the minute book of the Company in June, 1766, and runs as follows: "Two hams, one to a dish; one dozen of chickens, two to a dish, half boiled and half roasted; two dishes of beans and two of peas, and three gooseberry pies, with bread, beer, fruit, greens, and wine, as usual. All the above particulars to be very good." It is pleasant to know that a ray of sunshine was not wanting to cheer the Company's declining years.

The defence of the Company against these charges was anything but convincing. The monetary exactions upon their members were fully admitted. The sum of £1 2s. 6d. demanded for the binding of an apprentice was said to be accounted for as follows: 3s. 6d. for the Clerk for enrolling; 1s. to the Beadle; 1s. 6d. to the Company; 6d. for parchment; 2s. King's duty; 2s. 6d. in accordance with the Orphans' Act, and—a significant item—10s. to the Company in lieu of proof piece.[2]

The admittance fee of 15s. upon new members went wholly into the strong box of the Company, with the exception of 2s. for King's duty. Of the remaining 13s., the sum of 10s. was taken "in lieu of a silver spoon," 2s. to the Clerk, and 1s. to the Beadle.[3]

With regard to the charge of compelling men to come to London to take out their freedoms, they made the significant answer that only such as were apprentices to freemen of London were compelled to make the journey, and that the rule did not apply to ordinary members of the Company. It would seem from this that the migration of London masters to the Midlands had already commenced, and the compulsory journey to London imposed upon their workmen as well as themselves was merely part of the Company's campaign of harassing the new country manufacturers, who had the knowledge and experience of the London market combined with the economic advantages of the countryside. There is no wonder then that the Company professed to regard the fines which had figured so prominently in the conflict as very moderate, and were not ashamed to admit, and to claim as a right, their

[1] King's Bench, Vol. XCI, p. 972.

[2] *H.C.J.*, Vol. XIII, p. 316. The Company took 1s. 6d. for which no account was given above, the amounts quoted totalling only £1 1s.

[3] *Ibid.*

tyrannical practice of electing two persons from the country to be stewards to provide a feast on Michaelmas Day for the officials of the Company on pain of forfeiting £10.[1]

But the Company was fighting a losing battle. The forces of legalised privilege were opposed to the ineluctable pressure of economic change, the source of which was the widening market for cheaper goods, and the embodiment the rising industrial capitalist anxious to take advantage of the new conditions,[2] but nothing was done by Parliament to weaken the shackles of the Company upon him; no more was heard of the inquiry quoted above, and the new master was left to work out his industrial destiny in his own way.

The close of the seventeenth century was a period of rapid growth of the framework knitting industry, as well as of conflict. Between 1660 and 1727 the number of frames in the country is said to have grown from 600 to 8,000[3]; the most important purchasers of the product were France, which imported 8,000 dozen hose from the Port of London in 1692; and Portugal, which in the early years of the eighteenth century imported nearly 20,000 dozen hose per year.[4] In addition to the export trade, the machine industry was beginning to supply the home market, owing to the decline of the handicraft industry of knitting, which in Norfolk alone, according to Defoe, was originally worth from five to ten thousand shillings per week, but had sunk to almost nothing at the beginning of the eighteenth century.[5]

The development of the coarser branches of the trade made possible by the gradual substitution of the machine product for that of the hand knitters,[6] opened up enormous possibilities. Here was a steady, ever-expanding market, unaffected by violent fluctuations of fashion, and making fewer demands upon the organisation of distribution, and still less upon the technique of production. An almost limitless field lay open to the industrial capitalist; his tools were cheap labour and efficient machinery. The latter was already in his grasp; indeed, he made it the source of additional profit and a powerful lever of control at the same time, by hiring it out to his workmen at a rent equivalent to a

[1] *Op. cit.*, p. 316.

[2] For an interesting parallel, see the account of the Felt Makers' Company given by Unwin, *op. cit.*, pp. 218-19.

[3] Henson, p. 106.

[4] *H.C.J.*, Vol. XVIII, pp. 394 and 397. See also *Nottingham Mercury*, 1715-20.

[5] Defoe, *Giving Alms no Charity*, 1704, p. 19.

[6] The hand-knitting industry was not entirely wiped out by the frame. In England, however, it was reduced to complete insignificance; but in Scotland and Ireland it continued as an important subsidiary industry until recent times. See report of Inspectors for Ireland and Scotland to Truck Commission of 1908.

five or, in the case of new frames, ten years' purchase.[1] The supply of cheap labour was a more difficult problem, but the action of the London journeymen supplied the stimulus needed for its effective solution.

The War of the Spanish Succession, says Henson, had reacted adversely upon the stocking industry, and there was much unemployment among the London journeymen. Their troubles were aggravated by the practice that had become widespread among the more enterprising hosiers, of employing a large number of apprentices. The journeymen, driven to desperation by the flagrant breach of the Charter, took the obvious step of approaching the Company, which had been expressly formed for the purpose of maintaining the old restrictions regarding apprentices. The case of the journeymen, sympathetically considered at first, was finally laid before the whole body of the Court of Assistants and the Livery. These two bodies, owing to the high fees necessary for membership, must have been composed of the most wealthy hosiers and masters in the industry, in addition to those non-framework knitters who had chosen to join the Company for reasons of their own. The result of the appeal was that a large proportion of the adjudicating body favoured the cause of the infringers of the Charter, and it was found impossible to take action against them. The journeymen then took the law into their own hands and resorted to the means that have always presented themselves to oppressed framework knitters; they smashed their opponents' frames, threw them out of the window into the street, and beat their apprentices. These disorders continued without any interference for three nights, at the end of which the infringing masters capitulated and promised to abide by 5th Elizabeth.[2]

From the history of the Framework Knitters' Company up to this point, the advantages derived from incorporation by this new and thriving industry stand out fairly clearly. From the beginning the Company set itself the task of preventing the exportation of machinery abroad,[3] which, according to a familiar

[1] The practice was in existence in the country districts at least as early as 1718, when a frame valued at £7 10s. was let out at a rent in the village of Selston, Notts (*loc. cit.*). The rent is not stated, but it is unlikely to have been less than 1s. per week. The life of the frame was normally very long, and it was equally economical in the matter of repair, so that there was always a plentiful supply of secondhand frames, varying in price according to the fineness of the gauge as well as quality from £3 to £15.

[2] Henson thinks this occurrence took place in 1710, but admits uncertainty on the point. It is accepted without question by George, *London Life in Eighteenth Century*, p. 237.

[3] S.P. Dom., March, 1660, Vol. CCXX, 53; August, 1678, Vol. 406, No. 38; S.P. Dom. Entry Book, 334, p. 537, and *H.C.J.*, Vol. XI, Dec. 11th, 1693.

seventeenth-century authority, was a serious menace to the prosperity of the trade.[1] Its first success in this campaign was the promotion of the Company of Hosiers of Dublin, in 1687, with the intention of checking the notorious leakage of frames and men to Ireland. In 1696 the Company achieved further success by obtaining the insertion of an important clause into a finance bill by which the exportation of frames, or any part of a frame, should be punished by a fine of £40 and forfeiture[2] of the machinery, a success which could scarcely have been achieved without incorporation. Moreover, according to Henson, the Company administered the Act with such vigour, by means of its powers of search, that the exportation of frames came to an end immediately, with the result that the French, Spaniards, Flemings, and Italians continued for 100 years to build their frames on the model of those made in the seventeenth century, all later improvements, such as the sley, casterback, and hanging bit, etc., being unknown to them until the opening of the nineteenth century.[3] In pursuit of this particular form of protection all sections of the Company would, no doubt, be of one mind, as a national monopoly of the industry would benefit workman as well as employer; but the conflict of interests between the governing group and the rank and file was only a matter of time, and in this conflict the advantage lay very distinctly with those who had the legalised privileges of the Charter at their backs. The Court of Assistants, it should be remembered, was a legislative body, capable of passing by-laws for the government of the industry, subject only to the approval of the Lord Chancellor and two Judges; the industry as a whole had no say in the matter. Among the by-laws of the Company, of which a copy has recently been found in the Nottingham Exchange, there is one which provided that ordinary members of the Company could take one apprentice after two years' membership, two after seven years', and three if and when he filled the office of Master or Warden, or became a member of the Court of Assistants or Livery, the fine for breach of this regulation being laid down at £5 per month, *or such lesser sum as the Master and Wardens shall think fitting*.[4] The privileged position of the governing body is here clearly recognised from the beginning, and in the qualifying clause italicised above it is even given the legal right to discriminate in its own favour upon the crucial question of apprenticeship.

[1] *Britannia Languens*.

[2] 7 and 8 Wm. III, CXX, Sect. viii.

[3] Henson, p. 88.

[4] A book of rules of the Framework Knitters' Company, 1663, folio 14, signed by the Earl of Clarendon (Chancellor), Sir Robt. Hyde, Lord Chief Justice (King's Bench), Sir Orlando Bridgeman, Lord Chief Justice (Com. Pleas).

The action of 1710, in which the governing body refused to put the apprenticeship regulations into force at all, would appear to be merely the logical *dénouement* of a situation envisaged in 1663. Instead of being organised for the purpose of putting into practice the system of statutory apprenticeship as the Charter[1] and more especially the petition quoted earlier would have us believe, the Company seems to have become (whatever may have been its original intentions) a means of enabling the wealthier masters who governed it to escape from the system of statutory apprenticeship, while at the same time giving them the power to invoke it against their rivals outside the Company and their competitors within.

A small master could be harassed, as we have seen, to the point of ruin, by being made to pay exorbitant fees and fines[2]; outsiders, if living in the country, could be similarly harassed into joining the Company, whether they wanted or not, but when the governing body were asked to apply the apprenticeship regulations for the protection of their own journeymen, being themselves the worst offenders, they naturally declined.

The period during which the crisis described by Henson took place may be regarded as the turning-point in the history of the Company. From this time it gradually ceases to be a monopolistic organisation of leading capitalist undertakers and becomes a struggling organisation of London masters, leaning more and more for support upon the journeymen in the country, who look to it for assistance against the menace of cheap unindentured labour. The inner history of this transformation cannot be written, as no documentary material upon it exists, but outward and physical signs are not wanting to suggest an inward and spiritual change. It is at this time that the industry begins to grow most rapidly at Nottingham and the Midland centres; according to Henson, the number of frames in the Midlands in 1727 was greater than in the South[3]; a witness reported to a committee of the House of Commons that 800 frames were taken from London to Nottingham between 1732 and 1750[4]; the local historian, Deering, writing in 1739, says: "The hosiers of London, finding they could be fitted from the country with as good work at a cheaper rate than the London framework knitters could afford, the bulk of the trade has since shifted from thence—and what now remains in London

[1] Article 28.

[2] A complete list of fines is given in the Book of Rules already quoted, and includes fines of £5 for employing non-members; £3 for working with masters who are non-members; £4 for concealing foreigners; £5 for teaching trade to any but apprentices, etc.

[3] Henson, p. 106.

[4] *H.C.J.*, Vol. XXVI, p. 780.

hardly deserves the name of Trade."[1] It would seem from this that the attractions of the countryside in the shape of low wages, rents, and prices, reinforced by the agitations of the London journeymen, had resulted in the rapid shifting of the centre of gravity from London to the Midlands. More than this, the nature of the trade had undergone an important change. Instead of concentrating on the more expensive lines of production, such as fancy silk hose, gloves, waistcoat pieces, which during the Restoration period had formed the staple output of the industry, the bulk of the trade was concerned with the cheaper branches of woollen and worsted hose, which at this time were taking the place of the hand-knitted article. To what extent this important change was due to improvements on the frame itself it is difficult to say, but there appears to be no doubt that the technical evolution of the industry made considerable strides during the period of the Restoration. Blackner, for instance, states that about this time improvements were made which enabled the craftsman to complete the motion of knitting without the aid of a labourer, as had formerly been the case,[2] and Henson, though giving a somewhat different explanation, agrees that a simplification of the knitting process took place at this time. The connection between these technical advances, making for cheaper production and the conquest of the woollen and worsted hose market hitherto monopolised by the hand knitter, can hardly be a matter of doubt. At any rate, we hear of worsted hose being introduced into Scotland in 1682 by the New Mills Silk Manufacturing Company, but apparently without success.[3] Again, the pessimistic author of *Britannia Languens* includes the woollen stocking industry among those that were suffering from foreign competition,[4] and about the same time the first framework knitters of Leicester were having to resort to the unfortunate expedient of working at night in a cellar to escape the attentions of the hand knitters whose livelihood they were endangering.[5] By 1704 the hand-knitting industry of Norfolk was said to have been reduced almost to nothing,[6] while the manufacture of worsted hose on the frame had become definitely established at Leicester.[7]

For the cheaper branches of production the market was com-

[1] Deering, *op. cit.*, p. 100.
[2] Blackner, *Hist. of Nottingham*, p. 214, and Appendix to Report of 1812, p. 25.
[3] Warner, *Silk Industry of the United Kingdom*, p. 357.
[4] *Britannia Languens*, p. 409.
[5] Thompson, *History of Leicester*, Vol. I, p. 436, and pamphlet, *Leicester Stockingers*, by W. G. Jones.
[6] Defoe, *Giving Alms no Charity*, p. 19.
[7] Wm. Gardiner, *Music and Friends*, p. 811.

paratively steady, and at this time capable of great expansion, hence the special advantages of the London silk trade—its close contact with the fashionable world, both at home and abroad—waned as the new trade waxed. Further, there was a plentiful supply of good wool and of wool dressers from both Nottinghamshire and Leicestershire, and of silk from Sir Thomas Lombe's mill at Derby, which rapidly became the leading centre for silk hose. Finally, with the development of cotton hosiery, first mentioned in 1695 by John Cary of Bristol,[1] and introduced into Nottingham according to Henson in 1730,[2] a new branch of cheap hosiery was opened up.

Whatever the reason for the change in the character of the industry, there is no doubt that the Framework Knitters' Company suffered a serious shock. The masters remaining in London, manufacturers of fancy goods for the most part, found themselves face to face with a giant in the country, whom they decided to assail with the slings and arrows of the apprenticeship regulations. For this purpose they came eventually to seek an alliance with the journeymen, the history of which will occupy the remainder of this paper.

Trials appear to have been taking place for some period prior to 1725, when the Letter Book for 1725-45 begins. On July 5th, 1725, and again on July 19th, mention is made of the trial of infringing framework knitters without any definite indication of the result[3]; a combination of 200 framework knitters against the Company is reported at Southwell, Notts, in 1726[4]; the Company's stewards at Nottingham, and at Hinckley, Leicestershire, complain that their authority is openly flouted, and decline to travel eighteen or twenty miles for ten pence, or often for nothing, and ask for a definite answer, Court or no Court.[5] Yet writs continued to be issued against offenders, and numerous submissions are reported,[6] whilst in another case the Judge is reported to have declared that the Charter and by-laws were good and reasonable, and advised the defendants to submit to them.[7] The

[1] Essay of Trade, quoted by J. P. Thomas, *Mercantilism and East Ind. Trade*, p. 128.

[2] Henson, *op. cit.* In view of the rapid development of the cotton hosiery branch and the keen interest of masters and men in the subject of mechanical cotton spinning, the migration of Hargreaves and Arkwright to Nottingham and the success they achieved there are easily explained

[3] Framework Knitters' Company Letter Book, 1725-45. In the keeping of the Clerk, Mr. N. S. Hedderwick, 8, Essex Street, Strand, W.C. Permission to examine the records was obtained through the intervention of Mr. A. E. Roe, of Nottingham, a Liveryman of the Company, whose kindness I wish here to acknowledge.

[4] *Op. cit.*, July 26th, 1726. [5] *Ibid.*, July 18th, 1725; July 26th, 1726.

[6] *Ibid.*, Nov. 2nd, 1725; Dec. 7th, 1725. [7] *Ibid.*, May 28th, 1726.

authority which the Company still exercised is clearly indicated in the following quotation from a letter sent in 1729 from Josiah Harvey, Ashbourne, Derbyshire: "Having notice from Mr. Bloodworth [deputy in the Midlands] and being but a poor man . . . I am willing to take up my freedome. Therefore I desire that no further charge may come upon me and that I may begg a line from you per next post of what charges there hath been and to go no further, and I am willing to comply to the mercy of the Company hoping they will have regard to my mean circumstances."[1] The Clerk then writes to Bloodworth that Harvey has submitted and is willing to pay the charges of the process served upon him, but as he has not been apprenticed, ought he to be admitted? It seems clear that the Company at this time did not confine its attentions to relapsed members, but was liable to attack anyone who followed the industry without submitting to the Company's regulations. The success or failure of the Company's efforts turned entirely upon the question of its power to compel non-members to become bound, and evidence is not lacking that the officials of the Company were determined to have this vital point settled once and for all. On April 19th, 1729, the Master writes: "It is the resolution of several members of our Court to try the point with respect to compelling persons exercising the trade and keeping workshops to be admitted, and first to begin with some unadmitted members in Leicestershire." He desires the recipient of the letter, Mr. Bayley, a supporter of the Company and a resident of Leicester, to fix on some responsible person "who hath an apprenticeship and keeps a workshop and carries on the trade (not being admitted), and if you can fix on a person who hath apprentices at work with him, not regularly bound, which will be so much the better."[2]

A month later a similar letter was sent to the deputies at Nottingham, asking them to fix on some unadmitted member against whom to try their strength. "We have been at this work some time," the letter continues, "and did find the benefit of it to the Company. But we sweep our own houses from lawful workers, and these are received amongst the Trade in the country and the evil is not removed . . . and it will be hard on our members to have their men forced from them and afterwards taken in by you Gentlemen in the Country."[3]

The campaign for compulsory membership culminated in 1730-1 with two cases brought against non-members, of whom

[1] Jan. 4th, 1728-9.
[2] *Op. cit.*, April 19th, quoted in *H.C.J.*, Vol. XXVI, p. 782. [3] *Ibid.*, May 17th.

one was named Cartwright, and may have been the notorious hosier of Nottingham, who, according to Henson,[1] kept twenty-nine apprentices and was said to have been prosecuted by the Company in 1723.[2] In both cases the Company was entirely unsuccessful. In spite of the fact that the Charters were brought and found to be in order, " yet the Judge would not allow them to pass for good proof in Court, so that we were non-suited,"[3] and the Master of the Company has to admit that " the unadmitted are not compellable to be admitted by virtue of any by-laws, but that must be done by authority of Parliament, which we intend to apply for."[4]

From this time the Company assumes more completely the appearance of a journeymen's organisation and, as will be seen, made desperate efforts to obtain their support, but it should be remembered that this championship of the journeymen's cause was only incidental to the Company's major aim of harassing the country capitalists in the interests of the London masters, and raising fees to pay off the debt which was rapidly accumulating. At no time did the journeymen obtain a voice in the Company's affairs, and there is no evidence that they were ever called to express an opinion upon the Company's policy. Indeed, the Company even proposed the infliction of a corporal punishment " in order," as the Letter Book states, " to bring the poorer sort into subjection."

The most outstanding example of the Company's effort to capture its lost monopoly was the attempt in 1720 to set up a Joint Stock Company for the manufacture of hosiery articles. At a general meeting of the Court of Assistants held on June 7th, 1720, it was decided that a Joint Stock of £2,000,000 should be subscribed among the members of the Company for the carrying on of the scheme " to the utmost advantage of the Traders in General and the Company in particular."

[1] Henson, p. 99. No mention is made in the extant records of Fellowes, who, according to Henson, was prosecuted at the same time as Cartwright for keeping no less than forty apprentices. Henson also states that the Master and Wardens paid a visit to Nottingham, where the hosiers lived, entered their shops and distrained upon their goods, but upon what authority he bases his account is not stated.

[2] Felkin gives the date of this prosecution as 1728 (*Hosiery and Lace*, p. 75), which confirms the view held here that Henson's account of this episode is, as to date at least, unreliable.

[3] Letter Book, Feb. 20th, 1730, and Dec. 4th, 1731. Evidently the statement by Henson and Felkin that the Company was beaten because its Charter had not been signed by the proper authorities cannot stand; more probably the reason was as given by Blackner, *Hist. of Nottingham*, p. 216, that the by-laws could not be proved to be the act of the Company owing to some slight technical flaw.

[4] Letter to deputies at Nottingham, May 20th, 1732.

The stock was to be subscribed at the rate of 25s. per £1,000, and the cash was to be paid into the Bank through the hands of the Renter Warden. No one was to subscribe less than a thousand pounds of stock.[1]

This scheme was to have been initiated by a certain William Pocklington, whose services were so highly valued that he was permitted " to make a subscription of not exceeding £10,000, without paying anything," as soon as the scheme was set on foot. Again, on June 18th, the Court of Assistants and Mr. Pocklington were permitted to share the remaining unsubscribed stock in equal proportions without paying anything ; and to recoup Mr. Pocklington for the trouble he had undertaken, and the ingenuity he had shown, the Court presented him with the sum of 200 guineas. This took place on June 20th, thirteen days after the idea had first been broached.

This was, of course, a period of wild speculation ; and among the multitude of hair-brained schemes that wasted the money of the credulous, the Joint Stock enterprise of the Framework Knitters' Company was far from being the most illusory.

The method of procedure was for the workmen who entered into the scheme to bring their goods to the warehouse of the Court of Assistants and be paid as the Court should think fit. Whether this body was also to be responsible for buying and distributing the material to the stockingers to make up, it is impossible to say.

The scheme appears to have received widespread support. In December, 1721, six months after the new Joint Stock Company was launched, the sum of money received was £1,890,[2] which would represent over one and a half million pounds of stock. This, together with the stock appropriated by the Court of Assistants and the egregious Mr. Pocklington, would amount to the total capital of two millions. Another entry suggests that the resources of the Company which had been accumulated before the Joint Stock enterprise came into being was used in connection with it. The Company had amassed the large sum of £10,000 from the sources of revenue provided by the Charter—the fees for entry, binding of apprentices, etc.—and on June 20th, thirteen days after Pocklington had unfolded his scheme, it was decided by the Court of Assistants " that the ten thousand pounds now in hand should be disposed of for the benefit of the Company."[3] What happened to this large sum of money, and whether its disappearance had any connection with the Joint Stock enterprise, it is impossible to say,

[1] *H.C.J.*, Vol. XXVI, pp. 785, *et seq.* [2] *Op. cit.*, p. 786. [3] *Op. cit.*, p. 786.

as the book-keeping of the Company, as quoted in the *Journals* of the House of Commons, seems to be in complete confusion. It was not until August 2nd that a body of thirty-one directors was chosen by the subscribers to manage the business arising from the Joint Stock production, when, it may be assumed, separate accounts would be kept. Some of the Company's money was certainly invested in Sword Blade Bonds, the stock of a Sheffield Joint Stock Company, but whether this accounted for the whole of the Company's wealth it is impossible to say. In any case, the money disappeared and the Company became too poor to maintain its Hall.

For a moment the bonds of the Joint Stock Company were at a premium. Mr. William Woolley, one of the assistants, received a present of £1,000 of stock, the price of which to ordinary members was twenty shillings, and he sold it in Change Alley for fifteen guineas.

Signs that the early enthusiasm was on the wane are not wanting. On October 31st only three of the whole body of subscribers attended to meet the directors to discuss the affairs of the Company. In the following January the directors ordered the calling in of eighteen receipts, each of which represented £1,000 of stock which had been given to several persons at different times as free gifts.

According to Henson, the workmen of London, Godalming, Odiham, and Oakingham, who worked for the Company, received handsome wages, whilst the firm reaped high profits.[1] He goes on to say, however, that the greatest advantage was enjoyed by the hosiers of the country, who were able completely to undersell the Company, by employing pauper labour. How the Company could make high profits in face of this opposition it is difficult to see; all that is known is that the Joint Stock enterprise maintained its existence until May 8th, 1730, when it was declared by the Court of Assistants that "such portions of money as now remain in the Hands of Mr. Richard Austin, Treasurer of the said Joint Stock, doth belong to this Company and [are to be] applied by him for their use." This marked the end of the episode.

Another incident illustrating the relation of the Company to the industry as a whole, and showing also the part played by the country gentry in the industrial growth of the Midlands, occurred in 1727, when the fight between the Company and the country

[1] *Op. cit.*, p. 145. It seems to be about this time that the Company, on account of its poverty, had to give up its Hall and hold its meetings in the Dog Tavern and elsewhere. The Hall erected in 1720 was sold to the London Corporation in 1821 (City of London Livery Companies' Commission, 1884, p. 422).

capitalists was at its height. The manufacturers of Nottingham decided to unite with the magistrates of town and county to send a letter to the Company stating that Putters-out were seriously inconvenienced by the embezzlement of material by their workmen, and asking for the co-operation of the Company in obtaining a clause for its prevention in the Bill on Woollen Manufacture pending before the House.[1] The letter was signed by the Mayor and four aldermen, and thirty-seven others, including Sir Thomas Parkyns, the well-known magistrate and wrestler of Bunny, and the equally prominent manufacturer Samuel Fellowes, the employer, according to Henson, of forty apprentices,[2] Mayor of the town in 1755 and, through his grandson, one of the founders of the Hart and Fellowes Bank established in Nottingham in 1808. Evidently the Company was still regarded as an organisation of masters to be used as a convenient tool for use against the operatives.

Again, a fugitive apprentice is traced to Ireland through the assistance of the Company of Hosiers of Dublin, who are requested by the English Company to order his return.[3] Another apprentice has been beaten black and blue by his master, his head broken twice in one day, and on another day was twice kicked downstairs; the father takes him away, but although he appears to have the authority of the Justice of the Peace before whom the case was first heard, he has to obtain the sanction of the Company for his action; while the master is summoned to London to give an account of himself to the Company's officials.[4] Later in the century, when the Company did little more than cater for the convivial tastes of its officials, an attempt was made to take part in the struggle for protection from foreign competition. In 1762 the Company decided to unite with the rest of the trade to obtain an Act of Parliament to prevent the importation of silk mittens, and two years later sent a letter to the Nottingham members on the subject, which went unanswered.[5] But these instances of the Company's activity as the representative of the industry as a whole are overshadowed by those which portray the Company acting in the rôle of champion of the journeymen, and midwife to the crude trade unionism of the later eighteenth century. It is the history of this interesting phase in the Company's career that remains to be dealt with, and will now receive our attention.

In spite of the failures in the trials with the infringing masters

[1] M.S. Company Letter Book, April 1727, p. 129. [2] Henson, p. 99.
[3] Company Letter Book, Oct. 4th, 1726, and Jan. 21st, 1726-7, p. 89.
[4] *Ibid.*, Oct. 31st, 1725.
[5] *Ibid.*, June 20th, 1762, and Nov. 15th, 1764.

described above, and the invalidation of its legal claims, the Company continued to show fight.

New by-laws were proposed in 1732, and an attempt was made to whip up the flagging enthusiasm of the Nottingham deputies. The futility of this effort was well demonstrated in their reply. " The Free Members [i.e. those free of the Company] tie up themselves, more particularly those who use the trade, and ought not to be encouraged, and the Trespassers are still at liberty and will, of course, take the bread out of our Mouths, for if they can bind and work uncontrolled (and there are good artists among them), who will put apprentices to us? And how are we by those Laws amended in the General Agrievances? You must be pleased to excuse our Freedom."[1]

From 1732 to 1745 no deputies sat at Nottingham, and the trade was entirely free. In other parts of the country the Company still asserted itself against backsliding members. Eight or ten actions were brought between 1728 and 1742, of which not above one was tried, the rest being discontinued either on account of the submission of the party or their poverty.[2] Another reason was that the Company itself was in financial straits and had to give pledges in order to raise a loan of £50.[3]

They resorted to less commendable methods of recouping themselves. On October 5th, 1742, the Court, " taking into consideration that it would be for the Interest of the Company to increase the number of their members, and in order to encourage persons to recommend Purchasers of their freedoms to be admitted into this Company, doth hereby agree and order that if any Person shall recommend a purchaser as aforesaid, such person shall be presented with the sum of one guinea."[4] Fines continued to be levied and processes served upon members refusing to undertake the office of Steward or Livery man,[5] escape from which could only be obtained by pleading poverty on oath. Finally, in 1764, the Company went so far as to appropriate for the payment of its own debt, which amounted at that time to over £360, a legacy of £300 left to the Company for charitable purposes.[6]

The final day of reckoning, which might otherwise have been postponed, was hastened on by the action of the Company itself. It had long contemplated an attempt to re-establish its broken power upon the basis of a new Charter of by-laws. In 1745 this step was taken, new by-laws were promulgated, and a vigorous offensive was

[1] *H.C.J., op. cit.*, p. 783. [2] *Ibid.*, p. 787.
[3] *Ibid.*, p. 785, and Court Book, Oct. 5th, 1753. [4] *H.C.J., ibid.*, p. 787.
[5] Court Book beginning 1745, pp. 11, 12, 16, 19, 72, 75, etc. [6] *Ibid.*, p. 318.

opened upon those members of the Company who had proved lukewarm for the cause, and an attempt was made to obtain by threats and cajolery the membership of those who had never been admitted.

The vigorous policy pursued by the Company upon the rehabilitation of its power in 1745 showed that it was determined to recover its lost ground. A visit by the Master, Wardens, and Beadle to the stockingers of Godalming in 1750 was followed by the prosecution of two backsliding members who refused to pay their arrears of quarterage. Both these cases were allowed to lapse without coming to a final issue, as the Company itself seemed to have been too poor to push things to a conclusion, while the prosecuted masters seem to have received the financial as well as moral support of their fellows. Quarterage was obtained from some of the more timid members, one of whom paid over £6 to cover his arrears. Several cases of non-members being brought up before the Livery and persuaded or bullied into joining the Company are given in the records,[1] but no real progress was made towards recapturing the bulk of the industry. One man bought two frames for the purpose of setting up his son in the business of framework knitting; he himself knew nothing of the trade, and intended to employ a workman to teach his son, but he kept his frames idle until he had been made free of the Company out of fear of prosecution.[2] Another joined because his neighbours predicted the worst of evils if he should defy the Company.[3]

The stockingers of Nottingham seem to have been anything but susceptible to the Company's blandishments. Deputies were appointed in 1745, but they refused to act; and though a Court was eventually established, nothing was achieved. In 1752, however, the Company decided upon more vigorous measures. Having at last realised that their exorbitant fees were utterly beyond the capacity of men in receipt of 10s. a week, less deductions, they lowered the charge to the journeymen, to whom they made a special appeal. Notices appeared in the *Nottingham Journal* of August 27th, 1752, that all journeymen should be admitted for 5s.; and on October 14th the following appeal was published, by a number of journeymen in the town who had been won over[4]: "All persons in the Character of Journeymen and who hire frames of an Employer may be admitted for 5s., 2s. for the stamps, 2s. for the Clerk, and 1s. for the Beadle. On the 26th a Court will be held at the Crown Inn, Long Row, Nottingham. No quarterage will be asked of poor men, many of whom (though not old) are

[1] Court Book, pp. 42, 48, 66, 81.
[2] *H. C. J.*, p. 784.
[3] *Ibid.*
[4] Sutton, *Datebook of Nottingham*, p. 23.

scarce able to get Bread, it being thought sufficient to call on those who keep frames and apprentices. Then let us immediately agree to be of one mind for this general good, and heartily join with one voice to proclaim the Court our Protection ! And no more Colts ! "[1]

The response to that appeal appears to have been unsuccessful, but the vigorous action of the Company had at any rate one result. The hosiers determined to fight. From the care with which they laid their plans, it might be thought that the Company had received considerable support in their appeal to the journeymen, and that some danger was apprehended by the masters. Whatever the reason, three petitions were launched simultaneously upon the House of Commons from districts as far removed from one another as Nottingham and Godalming, complaining of the vexatious interference of the Company in the affairs of those engaged in the stocking industry, and asking for relief lest the trade be injured beyond remedy by further annoyances.[2]

Five days later, on February 25th, the Company replied in a counter petition, and was supported on February 26th by the knitters of Nottingham, who declared they wished to have the by-laws more strictly enforced than before, especially those relating to apprentices. On March 1st and 2nd respectively petitions were presented from Leicester and Mansfield against the Company, which completed the preliminary trial of strength before the final test of the inquiry was opened.

It may be of advantage to examine the nature of the forces thus arrayed in opposition as they are revealed by the petitions. The opponents of the Company in Nottingham and Godalming described themselves as hosiers and gentry ; those of Leicester were " hosiers, gentry, and others engaged in the woollen industry " ; and those of Mansfield were framework knitters simply. The friends of the Company were confined to the framework knitters of Nottingham. From this it is seen that the gentry and hosiers were banded together against the Company, and the Company's only support came from the journeymen of Nottingham. The subsequent inquiry was very thorough : the books of the Company were examined and its history during the previous thirty years investigated. No journeyman was called to give evidence on behalf of the Company, possibly to prevent its activities among the country workmen from being brought to light ; the only witness who speaks in its favour is a London hosier who explains, rather

[1] *H. C. J.*, p. 794. "Colt" signified a framework knitter who practised as a journeyman without having served a seven years' apprenticeship.
[2] *Op. cit.*, p. 788.

namely, that he had always been an opponent of the Company until recently, when upon a further perusal of their by-laws he thought they tended to assist rather than to damage the trade. No further explanation of this unexpected conversion is given, and is perhaps not required in view of the fact that he was a hosier of London.

All the witnesses, with the exception of the Clerk of the Company and the one given above, condemn the Company on the ground of avarice; the Company would admit anyone who would pay; their by-laws have no other result than the extortion of money; they never ask to see a proof piece, but take money instead; they never prosecute a man for bad work, but their deputies are actually guilty of fraudulent practices themselves, and have been threatened with their own by-laws[1]; the deputies at Nottingham are ordinary framework knitters and employ people not of the trade, both women and children, in common with their neighbours.[2]

The result of the inquiry was a foregone conclusion. The Company had nothing whatever to set against the array of accusations brought against it, and the House had no intention of giving its countenance to a journeyman's organisation, armed with a statutory limitation upon the supply of labour. The House had no difficulty in resolving that the regulations of the Company were vexatious and injurious to the industry. The Committee went so far as to declare that they were actually illegal, but this obvious untruth was not endorsed by the House.

The main support of the Chartered Company which had now suffered so inglorious a downfall had been found, at least in the Midlands, almost entirely among the journeymen, and the transition from the older form of organisation to the trade union was only a matter of time. Although the Company had never given any substantial benefit in return for the heavy fees paid into its coffers, its fall was ever afterwards associated with the beginning of oppression, and the workmen began to regard it as a fallen symbol of a protection and prosperity that had gone for ever. This retrospective admiration comes out constantly in the evidence submitted at various inquiries that were made into their condition during the following century, and in view of the difficulties which the structure of the industry placed in the way of effective trade-union organisation it is not difficult to understand.

Indeed, in 1804, the powers of the Company were for a moment

[1] *Op. cit.*, p. 781, evidence of Thomas Eaton of Derby.
[2] *Ibid.*, evidence of John Page.

revived. A prosecution was instituted under the authority of the Charter against a master who employed non-apprenticed journeymen. The verdict was given for the Company, but entry of final judgment was stayed, with the result that the Company's by-laws could only be invoked against members, and non-members remained legally unassailable.[1]

The period immediately succeeding the fall of the Company in 1753 was one of great development; the eyelet-hole machine on which elaborately fashioned gloves and waistcoat pieces could be made, and the Derby rib machine, which profoundly altered the style of ordinary hose, were only two of a large number of improvements upon the stocking machine which took place at this time.

Henson devotes a long chapter[2] to this period, which he says was marked by a fever for mechanical experimenting and invention; half-starved stockingers spent their hours of unemployment in devising new methods of ornamentation, and their last coin in buying tools and materials for their endless and, usually, fruitless experiments. The culminating point of this period of incessant activity was reached when point net lace, a web of hexagonal mesh, was made on the stocking frame, about 1776-7.

The result of the increased scope given to the stocking machine at this time was not of unalloyed advantage to the stockingers. Fashions fluctuated so rapidly that the new inventions sometimes became obsolete before they had repaid their cost to the inventor, and periods of high prosperity in newly adopted branches of trade alternated with deep depression. The coarser branches of manufacture suffered in their turn from this instability; and wages tended to go down on account of the competition of the more popular novelties, whilst the cost of living steadily rose. The cumulative effect of these influences was that the stockingers of the Midlands and London, for the first and only time in their history, combined to form an effective organisation, and petitioned Parliament as one body.[3]

According to Henson, associations began to be formed in the chief stocking-making districts about the year 1776.[4] In the summer of 1777 negotiations took place between the committee appointed in London and Nottingham to arrive at some course of action. The London stockingers were anxious to aim at an ad-

[1] *City of London Livery Companies Commission*, 1884, p. 421.
[2] Henson, pp. 256-355; Felkin, pp. 84-142.
[3] For an account of the attempt in 1813 to organise an elaborate union of the whole industry in all counties, see *Skilled Labourer*, by J. L. and B. Hammond, pp. 230-3. For constitution of the society, see *Articles and Regulations of a Society for obtaining Relief and encouragement of Mechanics*, 1813, of which Nottingham Reference Library has the only copy. [4] Henson, p. 383.

vance of prices; those of Nottingham were satisfied to maintain them at the existing rate.[1] However, by 1778, differences had been composed and a joint appeal of the three Midland counties and London were made to Parliament for a Bill to regulate wages upon an agreed basis. Lists of prices for all kinds of work—eyelet holes, tucked, turned and plain work—were sent in by workmen from all parts to enable the Committee to draw up an authoritative bill of rates.[2] Subscriptions were collected from the trade itself, and from the gentlemen and tradesmen of the town,[3] who, as long as the proceedings were untainted with violence or destruction of property, were wholeheartedly in support of the operatives.

The preparations of the journeymen were not allowed to go unchallenged by the hosiers, who formed a counter association, appointed Samuel Turner, a local lawyer, as their secretary, and organised a strong opposition when the matter was brought up in Parliament. A petition was presented in February, 1778, by Mr. D. Parker Coke, a member for Derby,[4] and elicited a reply from the "Manufacturing Hosiers of Nottingham Town and County," in a petition which declared that the fixing of a definite basis of wages by law would imperil the prosperity of all.[5] A Bill was at length introduced and lost by a majority of 52 to 27.[6]

The resolution of the stockingers was not in any way shaken by this set-back. They now decided to revive the Company, a prospect that was never absent for long from the minds of the operatives in these days of incipient trade unionism. Overtures were made to Reynolds, the clerk, with a view to readmittance. It is hardly credible that they expected very much assistance from this outworn instrument, especially as their object was not to enforce the regulations of the Charter, but simply to raise wages. But the Company still had prestige in their eyes as the only recognised symbol of unity in the trade from whence they could derive a sense of legal security in their joint action.

The Company's clerk pleaded urgent business in Ireland, which prevented him from taking any steps to enrol the Nottingham stockingers. So protracted was his delay that the men decided upon another independent appeal to Parliament. To defray the expenses incidental to such a procedure a toll of 3s. 1d. was to be raised for each frame, to be paid to the Central Committee through village committees appointed for this purpose.[7] A further pre-

[1] Letter to *Nottingham Journal*, March 28th, 1778.
[2] *Nottingham Journal*, Jan. 3rd, 1778.
[3] *Ibid.*
[4] *H.C.J.*, Vol. XXXVI, p. 635.
[5] *Op. cit.*, p. 728.
[6] *Ibid.*, p. 742.
[7] See letter to Associated Framework Knitters of the Town and County of Nottingham, in *Nottingham Journal*, Aug. 15th, 1778.

caution was taken by the election to Parliament of two sympathetic members, one Abel Smith the banker's son, " a brother framework knitter," as he is styled in the *Journal*,[1] standing definitely as the representative of the Association, and Charles Medows, who also promised " to exert his uttermost influence on behalf of poor manufacturers."

In addition to these formidable preparations the operatives had undertaken concurrent negotiations with Reynolds, who had at last become accessible. The conditions under which the clerk would admit new members were outlined in a letter to the trade published in the *Nottingham Journal* of August 1st, 1778. Each man was to pay 5s. 6d., i.e. 2s. 6d. for a stamp, 2s. for Reynolds, and 1s. for Simmons the Beadle. " Allowing for 12,000 to be entered," the writer goes on, " it will require £1,800 to pay the clerk and the beadle ; where it is to be obtained I know not in the present state of trade." These outrageous demands were eventually reduced, the Nottingham representatives' protests being reinforced by those of the representatives of London journeymen. The two compounded with Reynolds for £50, and with Simmons for £20, who undertook to come down and enter them for three months.[2]

" The Colours " of the Company were ordered to be sent to Nottingham " on condition that Mr. Payne, Banker, undertakes to replace them if they get damaged or destroyed,"[3] and many new members were admitted on the new terms in Nottingham, Derby, and Leicester, as many as 134 being enrolled in Nottingham alone between September 25th and October 2nd.[4] It is of interest to note that among these were Abel Smith the banker's son and M.P. for Nottingham, and Caleb Herring, who was regarded by the hosiers as the ringleader in the ten days' strike of the following year, and was hounded from place to place by the employers until he took refuge in America.[5] In such wise was the Chartered Company associated in the growth of working-class agitation and leadership. The motives of the Company in making this ingenious arrangement cannot be unconnected with its chronic indebtedness and its unsuppressed passion for periodical dinners and Lord Mayors' processions.

The reply of the hosiers to the preparations of the Stockingers' Association was to reduce prices by about 25 per cent.[6] This

[1] *Nottingham Journal*, Oct. 3rd, 1778. Abel Smith was the son of Abel Smith the banker of Nottingham. The description of him given by Pilkington the Clerk, merely indicated that Abel had become free of the Company.
[2] *Nottingham Journal*, Aug. 1st, 1778. [3] Letter Book, Oct. 7th, 1778.
[4] *Op. cit.* [5] Henson, *op. cit.* [6] *Ibid.*, p. 392.

startling move had unexpected reactions. Nothing could have been more fortunate for the men's cause, which was enthusiastically taken up by the shopkeepers of the town, who, it is said, had long been aggrieved against the hosiers for paying their men in bad coin. The tradesmen, led by the butchers, who knew the advantage of a comfortable and satisfied connection, joined enthusiastically in the work of raising subscriptions, and shopkeepers had boxes placed on their counters for the same purpose. Ballads and lampoons enlarging upon the wickedness of the hosiers were circulated and contributions of money came in from the villages.[1]

As an expression of the unanimity of opposition to the hosiers, a General Committee was formed to represent, as far as possible, the composite character of the revolting forces. Upon it sat delegates of the more reasonable hosiers, who were willing to have wages fixed. There had always been a number of sympathisers for the operatives among the hosiers.[2] The excitable tactics of their more extreme brethren made it possible for them definitely to throw in their lot with the men while the movement was strictly lawful, and aimed merely at a second appeal to Parliament. This, what may be called the extreme right of the Committee, was supported by a representative of the tradesmen and of the master stockingers, the former being made chairman; then came representatives of the Knitters' Association, of the stockingers in the county, and of other sympathetic interests from the country districts and from London, Leicester, and Derby. The Midland Stockingers' Association, as it was called, looks an impressive body, and its committee, according to Henson, was made up of men of splendid talent, who possessed the confidence of their constituents.[3] Its very cumbrousness is a measure of the widespread nature of the appeal which had been made.

An opportunity to demonstrate its power was given to the Association on the death of their member, Abel Smith. At the nomination of his brother, Mr. Robert Smith, who was selected to represent the cause of the stockingers, the Town Hall was more crowded than at any time since 1754.[4]

Preparations were now complete. A new petition was submitted, and in the debate that later ensued was supported by moderate and persuasive speeches from the representatives of the trade.[5]

[1] This account is based upon Henson and contemporary accounts in *Nottingham Journal*. See especially interesting letter from Peat, Clerk of Associated Framework Knitters, in *Nottingham Journal*, Oct. 16th, 1778.

[2] See letter of "Amicus" in *Nottingham Journal*, Aug. 29th, 1778.

[3] Henson, p. 394.

[4] *Nottingham Journal*, Feb. 6th, 1779.

[5] *Nottingham Journal*, May 8th and 28th, 1779.

Evidence given before the Committee was printed and circulated by the Association among a limited number of subscribers,[1] and partially reproduced in the *Journals* of the House of Commons. A study of these sources shows that the industry, even at this early date, was disfigured by a degree of sweating which, in the words of Mr. and Mrs. Webb, " can scarcely be paralleled by the worst modern instances."[2]

It is interesting to note that there was no attempt on the part of the stockingers to impeach the hosiers as a body ; nameless individuals were mildly pilloried, but the blame was mainly laid upon the high price of provisions which justly called for an increase of wages. In addition, they asked for some consideration in the matter of frame rent, the principle of which was never challenged. They also drew up and presented a list of prices, but this, according to Henson, would have proved unworkable, as the great variety of work which the frame was then capable of made strict classification impossible. The general aim of the stockingers was to accomplish such an improvement as would place them on a level with their brethren in Ireland.[3] This modest aim had considerable chances of success. To the intense delight of the stockingers their Bill passed its first reading with but one dissentient vote.[4] A prosperous issue was confidently anticipated for the " Glorious Cause,"[5] and appeals for subscriptions received an enthusiastic response. The tradesmen of the town were again eager in their support of the stockingers ; butchers solicited from customers, landlords from guests ; people collected in every lane and highway.[6]

The second reading of the Bill took place on May 29th. The speech of Mr. Robert Smith, as reported in the *Nottingham Journal*, was in the same subdued key as were all the utterances of those who represented the cause of the journeymen. The measure, he said, was intended merely to prevent unfair competition between opulent masters and poor manufacturers. The framework knitters, he assured the House, had formed no combination ; they came submissively to the Legislature with a humble plea for pro-

[1] Henson, p. 395, and pamphlet *Hosiers and Framework Knitters' Examination before Committee of House of Commons* (1780) in Leicester Reference Library. Henson's statement that no copy has survived does not appear to be true.

[2] S. and B. Webb, *Trade Unionism*, p. 45.

[3] Speech of Robert Smith reported in *Nottingham Journal*, May 8th, 1779. According to the evidence of one witness a list of prices had been issued by the Lord Mayor of Dublin in 1749, and proved of great advantage to framework knitters of Ireland. When he was working in Dublin, twenty-three years earlier, he paid 2s. a week frame rent and could earn 15s. to 16s. a week (Irish currency). —*H.C.J.*, Vol. XXXVII, p. 372.

[4] *Ibid.*, May 8th, 1779. [5] *Ibid.*, May 15th, 1779. [6] Henson, p. 397.

tection.[1] His persuasive eloquence availed only to win a majority of one vote for the Bill. Its fate was all but sealed. Need, a powerful hosier and joint owner of Arkwright's cotton mill, determined to resolve all doubts upon the matter, says Henson, by suing for the support of the venal Cornish members. At the third reading, on June 8th, a Cornish member moved that the Bill should be read that day two months, and the motion was carried, 57 to 18. In the words of Wilkes, " the Cornish and Devon miners had sunk a new pit for the agents of the Bill."[2] The *Nottingham Journal* announced that the Bill was lost " to the great joy of many master stockingers, and to the inexpressible affliction of hundreds of poor stockingers who crowded the lobby in expectation of hearing that the Bill for their relief had been passed."[3]

There is no necessity to describe the widespread agitation, amounting in many districts to an actual strike, which immediately followed. Enough has been said to show that the Chartered Company of the seventeenth century had assisted, willingly or unwillingly, at the birth of an infant trade union, which marked its advent by ten days' violence and uproar. The new organisation was almost stifled at birth, its box and papers were seized, and its servants prosecuted,[4] but it survived. Its worst enemy was not the employers, who, indeed, until the dark days of the Berlin decrees, were willing to meet the men's representatives and fix prices, but the structure of the industry itself. Unity was impossible among an industrial population scattered far and wide over three counties, and divided by grades of independence that only the highly capitalised domestic system can produce. When, after their forty years' sojourn in the wilderness, the framework knitters were delivered from their servitude to the bagmaster and assumed the lighter yoke of the factory overseer, they founded the United Framework Knitters' Society, which may be described as a symbol of their long-delayed enfranchisement. To this end many influences had co-operated, not least among them being the Company of the seventeenth-century masters, who, in their own despite, provided the protective shell from which the young trade union fearfully emerged.

[1] *Nottingham Journal*, May 29th, 1779.
[2] Quoted by Henson, p. 401. For charges against hosiers of bearing false evidence, see *Nottingham Journal*, Sept. 25th, 1779.
[3] *Nottingham Journal*, June 12th, 1779, *q.v.* for description of riots.
[4] *Ibid.*, Aug. 28th, 1779.

Jute Futures in Calcutta

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EVER since Joseph cornered the grain of Egypt, speculation in some form or other has been going on for different commodities all the world over. India is no exception. For cotton alone there are speculative markets in Calcutta, Indore, Amraoti, Bikanir and also in Bombay itself, where transactions in what are known as "*teji mandis*,"[1] "*kutcha khandis*," "*kutcha* Americans," or "single and double options" take place on a considerable scale, purely on the basis of differences to be paid or received, there being no intention of actual delivery. There are similar speculative markets for other commodities in various parts of India. For instance, in Calcutta, there are at the present time *baras*, or speculative markets, not only for cotton but also for jute, hessians, linseed and shares.

ORIGIN OF JUTE EXCHANGES.

The earliest organised *bara* started in 1910-11[2] dealt in jute alone. The credit or the discredit of opening up this new line of business is said to belong to one Mr. Jewanmal Bengani, who began his career in 1894 in a humble way. He is also reputed to be the founder of the Cossipore *arat* (i.e. indigenous produce market) in which business is transacted on altogether different lines from other well-established *arats* like *Hatkhola*. On the sudden rise in the price of jute in 1905 and a further increase in the following year,[3] he plunged headlong into the "futures" business and intro-

[1] Literally fast and slow, i.e. bulls and bears.

[2] The jute year runs from July 1st to June 30th. Thus 1910-11 means from July 1st, 1910 to June 30th, 1911.

[3] The fluctuations in the prices of raw jute are shown in the following table extracted from Vakil and Muranjan's *Currency and Prices in India*, p. 250.

Year.	1902	1903	1904	1905	1906
Rupee price of raw jute per bale of 400 lbs. converted into shillings at average rate of exchange	40·07	43·17	41·94	51·58	74·27

duced some innovations. The old system of business was carried on by means of *purjas*,[1] which had been used as delivery orders for jute with a minimum limit of 250 bales for each *purja* ever since the year 1901-2. These had a circulation restricted to persons intimately known to Mr. Bengani. But the business caught on; so much so that regular contracts had to be provided for the purpose when the speculative fever was at its height. The contracts known as "Fatka[2] contracts" were introduced by Mr. Bengani in 1905-6. In the course of time, these came to be known as "pink and white contracts," the latter name being derived from the fact that the sold note was printed on a white sheet of paper, and the bought note on a pink sheet. The holder of a white contract was nominally a purchaser for a number of bales at a specified price on a specified day. But the real contract was for receiving or paying the difference from the market rate. For determining what the market rate was, names of six firms were mentioned on each contract, which were to declare the ruling rate.[3] If these six rates agreed, they were to be taken as conclusive; and if they did not, their average was to be taken. These speculative contracts interfered with bona-fide transactions in jute, but the law was successfully evaded for some time. The pink and white contracts were in fact drawn up by some eminent Calcutta lawyers. In spite of this, however, they were held by Mr. Justice Fletcher of the Calcutta High Court in an unreported case[4] to be wagering contracts. Two English cases were relied upon.[5] In the case before the Court, the plaintiff had no jute press, no warehouse and no jute. The defendant was a broker and had nothing to do with baled jute. The Court had, therefore, little difficulty in

[1] i.e. unstamped requests to pay addressed to indigenous bankers and signed by borrowers. For a specimen of this, see Sinha's *Early European Banking*, pp. 244-245. Jute *purjas* simply mentioned the number of bales to be delivered in place of the rupee amount to be paid. These passed from hand to hand in the same way.

[2] Literally, a bubble; a speculative market is so described because it swells and bursts like a bubble. It is also sometimes called *Bhitar Bazar*, literally, inside or secret market.

[3] The names of the six firms mentioned in "pink" and "white" contracts during the season 1911-12 are reproduced below from the annual report of the Calcutta Baled Jute Association (from August 1st, 1911 to July 31st, 1912), p. 95:

(1) Thansingh Karamchand.
(2) Jivanmal Chandanmull.
(3) Hazarimul Multanmal.
(4) Jesraj Jaichandlall.
(5) Sookhlall Chandanmull.
(6) Fatechand Chauthmull Karamchand.

[4] Buldeo Das Basant Lall *v.* Lalit Mohan Nundy; original suit No. 255 of 1913, decided on July 29th, 1913.

[5] (1) Universal Stock Exchange *v.* David Strachan (reported in Law Reports, 1896, Appeal Cases, page 166).
(2) *Re* Gieve (reported in Law Reports, 1899, 1 Queen's Bench, page 794).

coming to the conclusion that the contract was in essence a contract for receiving " difference," however obviously the real intention might have been obscured.

RAMPANT SPECULATION.

The effect of this decision was contrary to expectations. Uncontrolled by law, speculation became wild and reckless in private exchanges (or *baras*). The unit of transaction was reduced to fifty bales in order to attract as wide a class as possible. The market was shifted from *Afim-chowrasta* (literally, Opium-crossing, the junction of Mullick Street with Cotton Street), where it was founded in 1910-11, to 160 Harrison Road in 1913-14. A further move was made in 1916-17 to 29-30 Clive Street. The limit of business was also reduced to twenty-five bales. In the very next year, a limited liability company under the name and style of the Calcutta *Pat* Association Ltd. was incorporated under the Indian Companies Act, with its registered office at 18 Synagogue Street, which was subsequently removed to 4 Synagogue Street. This was eventually suppressed by a series of police prosecutions under the Calcutta Police Act (Act IV of 1866 of the Bengal Council). Another limited liability company was similarly started in Bonfields Lane and ultimately met with the same fate. Speculation had become so wild by this time that the check provided by monthly settlements was done away with, quarterly settlements being introduced in 1920 in the place of monthly settlements which had been in vogue ever since 1910. The business, however, continued to be carried on in much the same way as before, by members known as *modis* (i.e. shop keepers), who registered orders from *beparis* (i.e. dealers), the latter not being members. *Modis* always " covered " their purchases by sales or vice versa, generally by entering into contracts with other *modis*. Thus *inter-bara* business formed a considerable proportion of the total business. There was a system of weekly payments or *bhuktans* on the basis of the closing rate on Saturday evening at 8-30 or 9 p.m., called the *bhuktan* rate, declared by a member of the Committee elected by the *modis* to hold office for one year. The actual payment was made on the following Sunday. The *bhuktan* was intended to act as a buffer to absorb the shocks due to violent fluctuations ; it was in no sense a final payment due on account of the contract. If a party continued to pay his " differences " on each *bhuktan* day, there could be no difficulty on his part in meeting his liability on the expiry date of the contract, by reason of the payments previously made. For these final settlements, the

correct market rate was carefully ascertained at the close of business on the last day of every month, from the rates given by six bales as in the case of the obsolete pink and white contracts. This, however, was found to manipulate rates; the "bulls" gave too high a rate and the "bears" too low a rate. All the Committee members (numbering from 100 to 150) then gave rates themselves, out of which seven were drawn by lottery. Rates which differed from the average rate by more than Re 1s. were rejected and the mean was taken of the rest.

Present Position.

This system enjoyed widespread popularity. *Baras* were set up one after another, not only for jute but also for shares, cotton, linseed, and other commodities. But the jute *baras* were the most active. The *bara* suppressed by the police in 1926, viz. the Calcutt Jute Association Ltd., under the Calcutta Police Act (Act IV of 1866 of the Bengal Council), included as many as 175 *modis*. It is an open secret that the Gudri market in Cotton Street is open day and night, permits sales up to 5 bales, and does not effectively restrict business to members. The *bara* at 5-1 Royal Exchange Place is better managed. The minimum amount is twenty-five bales and non-members are reported to be excluded as far as possible. This association also has recently[1] been held by the Police Magistrate of Calcutta, in a prosecution under the Calcutta Police Act (Act IV of 1866 of the Bengal Council), to be nothing but a common gaming-house. The best organised *bara* is the East India Jute Association Ltd., which has published elaborate rules for "delivery" contracts and "hedge contracts" and also periodical reports of its working.[2]

Proposals for Legislation.

The evil cries out for reform. The various commercial associations dealing in jute have sent up representations to Government from time to time. As early as 1911, the Indian Jute Mills Association suggested that the Calcutta Police Act (Act IV of 1866 of the Bengal Council), which penalises persons connected with gaming-houses, should be employed to stamp out the evil, by extending its scope by a suitable amending Act if necessary, as in the case of the Rain Gambling Act (Act III of 1897 of the

[1] September 7th, 1928.

[2] Its quotations are still shown as the quotations of the *Fatka* (i.e. bubble) market in the Jute Market Report published by Messrs. J. M. Banerjee and Co.

Bengal Council). The Government of Bengal in their reply dated February 2nd, 1912, however, pointed out the difficulties of introducing such a measure without interfering with legitimate hedge contracts, and did not desire to move in the matter unless they were " assured of the unanimous support of the commercial community." But when, as already stated, Mr. Justice Fletcher declared the pink and white contracts illegal, it was felt that the law was adequate and that fresh legislation was unnecessary. It was confidently hoped that rigorous enforcement of the existing law would stamp out the evil.

Protests of Calcutta Traders.

This hope was not realised and gambling continued merrily under the guise of genuine commercial transactions. In March, 1926, a representative conference of the members of the various commercial jute associations was held in Calcutta.[1] The pernicious effect of speculative transactions on genuine trade in jute was strongly censured. Finally it was resolved to take competent legal advice with a view to the abolition of all speculative markets.

Agitation in London.

The agitation was not confined to India. In May, 1926, the London Jute Association submitted a long memorial to His Majesty's Secretary of State for India. They pressed for the suppression of the speculative market known as the *bhitar bazar* (literally, inside or secret market), which had degenerated into a gambling den pure and simple, and suggested the establishment of an organised market for jute " futures " on the lines of the Liverpool Cotton Association and American Cotton Exchanges. They also pointed out that the East India Cotton Association of Bombay, incorporated in pursuance of the Bombay Cotton Contracts Act, 1922 (Act XIV of 1922 of the Bombay Council), had been eminently successful in stamping out the evils of many of the markets for cotton " futures." But opinion in Calcutta was so strongly opposed to the *bhitar bazar* that all commercial associations were

[1] These were : (1) The Baled Jute Shippers' Association.
(2) The Calcutta Baled Jute Association.
(3) The Calcutta Jute Dealers' Association.
(4) The Calcutta Jute Fabric Shippers' Association.
(5) The Indian Jute Mills' Association.
(6) The Jute Balers' Association.
(7) The Jute Fabric Brokers' Association.

Even the Calcutta *Pat* Association offered to be present, but their letter was received too late, when the meeting was in progress.

opposed even to a properly organised exchange for jute futures, unless it proved indispensable.

Mr. Khaitan's Bill.

Happily, the *bhitar bazar* had by that time ceased to exist in consequence of successful police prosecutions. No further legislation was therefore necessary to suppress it. In spite of this, however, Mr. D. P. Khaitan, a private member of the Bengal Legislative Council, introduced on July 6th, 1926, a Bill called the Wagering Association Bill, modelled on the Bombay Cotton Contracts Act, 1922 (Act XIV of 1922 of the Bombay Council). It provided that every *bara* or exchange should be incorporated under the Indian Companies Act (Act VII of 1913) ; that in respect of every transaction there should be a written contract on a form to be lodged with Government, that the contract should specifically provide for the right to demand or offer delivery of the goods dealt in , that in respect of each transaction there should be a fixed minimum quantity and that any exchange which did not comply with these conditions should be declared a common gambling-house. A delaying motion that the Bill be circulated for opinion was carried in the Council, and the Bill automatically lapsed with the dissolution of the Council in September, 1926.

Recent Measures.

A fresh Bill, on practically identical lines, was to be brought forward by another private member, Mr. P. D. Himatsingka, in the next Council, but as he absented himself from the Council for political reasons, the Bill could not be introduced and automatically fell through. The Sub-Committee appointed in July 1926 by the Indian Jute Mills Association to draft a Bill on the lines of the London and Liverpool Corn Exchanges did not submit their report at the general meeting of the Association held on January 21st, 1927, or even at the next general meeting held on January 25th, 1928.

Main Principles of Produce Exchanges.

The chief reason given for this was that the rules and regulations controlling the clearing houses of the two Associations were too elaborate to be introduced in India. But as a matter of fact the fundamental principles governing produce exchanges in foreign countries are neither numerous nor intricate. One is that there should be frequent settlements to prevent speculators from overstepping their financial means by compelling them to pay

differences in cash. On the Liverpool Cotton Exchange there are weekly, and on the New York Cotton Exchange daily, settlements.[1] In the second place, any attempt at a corner should be prevented by providing for the delivery of different grades of the commodity, e.g., both in Liverpool and New York Cotton markets any of the seventeen grades from " good ordinary white " to " fair " may be substituted for " middling uplands," which is the standard grade, by a prescribed system of differences.[2] Similar facilities are provided by the East India Cotton Association for all the five different contracts at present in vogue. Thirdly, there should be a " mutual allowance " clause as in the case of the Bremen Cotton Exchange,[3] that is to say the seller should be given some compensation for better quality just as he is penalised for lower quality. Fourthly, the arbitrators, as in the Bremen Exchange, should preferably be full time salaried officials appointed by the governing body of the Exchange and not permitted to have any dealings whatsoever, whether directly or indirectly.

A Continental Parallel.

Nor is it correct to say, as so often done, that there is no parallel to the business at present carried on in Calcutta *baras*. For instance, the Havre Cotton Association has no share capital, nor is there any limit to the number of brokers who may become members. There is no board on which to record the sales. In fact, the whole business seems to be carried on in a most informal way. Yet a Havre contract is considered perfectly safe.[4] This security is provided by a separate organisation called Caisse de Liquidation, which may be called a clearing house for want of a better name, but which is really a bank, a survey company and a clearing house all rolled into one, serving these many purposes not only for cotton, but also for coffee, wool and other commodities. The shares may be subscribed by any one. Every buyer or seller of cotton or any other futures must deposit the prescribed margin[5] with the clearing house when the contract is sent for registration. Additional margin must also be deposited when there are variations in prices, the margins being calculated on the basis of morning and afternoon calls. The clearing house charges a small fee for its services and a small discount on payments. But as the responsibility for contracts does in effect belong

[1] *Report of the Indian Cotton Committee* (1919), p. 206.
[2] *Ibid.*, p. 206. [3] *Ibid.*, p. 209.
[4] United States Department of Agriculture, *Technical Bulletin*, No. 78, p. 72.
[5] For instance, in August 1925 it was 140 francs per bale.

to the clearing house, these small payments are not grudged by anybody. If this Havre system of registration with a properly organised clearing house be taken as a model, many of the malpractices in the present *baras* are bound to disappear.

Legislation Recommended.

The policy of every civilised state should be to keep gambling under control, if not to uproot it altogether. This has fortunately been the consistent policy of the Governments in India, at all events prior to the introduction of the recent betting taxes. We are particularly concerned with the disastrous effects of gambling on legitimate trade, when the gambler makes a commodity such as jute an object of speculation in Bengal. The task of remedying this abuse is no light one, for no sooner is one gambling den discovered and dispersed by the police than it is set up in a different name and style elsewhere, and the old method of police prosecutions has proved totally inadequate to cope with the evil. It is high time for legislation on the lines indicated above to be given a trial by the Government of Bengal.

American Treasure and the Rise of Capitalism (1500-1700)

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I

"THE discovery of America, and that of a passage to the East Indies by the Cape of Good Hope, are the greatest and most important events recorded in the history of mankind." So wrote Adam Smith in his immortal *Wealth of Nations*.[1] This statement may be—doubtless is—an exaggeration; but had he spoken of the effect of these two events upon the origin of modern capitalism, one of the most important developments of history, his contention would have been incontrovertible.

The present paper purposes to examine the effects of the discovery of an all-water route to the East Indies, the opening of extensive markets in the New World, and above all the heavy European imports of Mexican and Peruvian treasure upon the rise of modern capitalism. For two reasons the study is confined to the sixteenth and seventeenth centuries. First, during this period American gold and silver and the markets of the East and West Indies exerted their greatest influence upon the progress of capitalism. Second, there was a significant development of capitalism in England, France, and the Low Countries. In fact, the progress of capitalism during the sixteenth and seventeenth centuries prepared the way for the Industrial Revolution. Significant experiments with the factory system were carried out in England in the sixteenth century and in France during the seventeenth. There is abundant evidence of a groping toward the factory system before the great inventions of the eighteenth century made such a course inevitable.

Perhaps it is best not to seek too narrow and rigid a definition of *capitalism*, not to formulate a concept upon which there cannot be general agreement. With this desideratum in mind, it may be

[1] Cannan edition, London, 1904, Vol. II, p. 125. This statement appears to have been taken from Raynal's *Histoire Philosophique* (*ibid.*, p. 125 n.).

defined as the system in which wealth other than land is used for the definite purpose of securing an income.

II

Capitalism did not develop out of a void during the early modern period. There were traces of it in the great nations of antiquity, and near the end of the Middle Ages it played an important rôle in the economy of Flanders, the Italian city states, and certain French cities. In these oases, especially in the great industrial, commercial, and financial centres of Italy—Amalfi, Pisa, Genoa, Florence, and Venice—many of the characteristic features of modern capitalism evolved. Arabic notation, destined to supersede cumbersome Roman numerals in accounting, was introduced. Double-entry book-keeping, an indispensable instrument for the rational conduct of business, was developed. The mariner's compass, invaluable to ocean shipping, was introduced into the Western World. Portolan charts, later to be combined with the resuscitated theoretical geography of Ptolemy and Strabo to give birth to modern geography, arose to meet the needs of navigation in the Mediterranean. Important advances were achieved in naval architecture and in the art of navigation. Oriental arts and products were diffused through the trading centres of Italy. In the great seaports and in the fairs arose the law merchant—flexible, expeditious, and fashioned to meet the needs of trade. As a concomitant development, negotiable instruments originated or were popularised. Perhaps the development of organised dealings in foreign exchange and advances in the technique of banking by houses located in Genoa, Venice, and Florence—with agents scattered to the utmost confines of Europe—represented the greatest contribution of the Middle Ages to the rise of modern capitalism. These great banking houses aided materially in the perfection of banking and in the spread of the institution into countries where a fully developed species of capitalism was destined to emerge.[1]

The origin of capitalism cannot be ascribed to the phenomena generated by the discovery of America and of the Good Hope route to the East Indies. The movement already under way was profoundly affected by both these events, especially by the former; but they alone were not responsible for the phenomenal progress of capitalism during the sixteenth and seventeenth centuries. A host of other factors were working in the same direction.

[1] It has been argued that the system of clearing developed in the fairs at Lyons served as a model for the London Clearing House (M. Vigne, *La Banque á Lyon*, Lyons and Paris, 1903, p. 152).

III

The strong national states that arose in the early modern period loosened, but did not entirely remove, medieval fetters on domestic commerce. Princes became interested in the improvement of facilities for land and water transportation. Through the suppression of piracy and robbery, they furnished greater security for private property and better protection to traders. Common customs and institutions, fostered by national unity, increased the demand for standardised products. The widening of the trade area and the standardisation of products afforded an unexampled opportunity for large-scale industry and mass marketing. In other words, they placed a premium upon capitalism. The simplification of public administration and unification of legal systems freed capitalists from the multifarious jurisdictions and erratic, capricious law which hampered their activities in the Middle Ages. The rise of modern states gave a wider scope to the rentier who financed the princes of larger territories than they had hitherto governed. Perennial wars between the incipient national states furnished great investment opportunities. Impecuniosity of the monarchs fighting for the hegemony of Europe and ascendancy in colonisation caused exorbitant interest rates on public obligations, which enabled international bankers shrewd enough to anticipate repudiation to reap fabulous returns on their advances. These gains were important factors in the accumulation of capital, most of which probably sought outlets in industry, commerce, and finance. The sale of shares in public debts prepared the way for the financing of joint-stock enterprises. It should be remembered, however, that Governments competed with business for investment funds and that they diverted capital from productive to destructive uses.[1] Certain efforts on the part of Governments, such as the introduction of new products, subsidies to favourite industries, and public instruction in commercial subjects, played an important rôle in the progress of capitalism.

Undoubtedly the mass demand for standardised products, especially for military uniforms and munitions of war, originating in the perpetual wars of the sixteenth and seventeenth centuries, was favourable to the rise of capitalism. But these wars, on the whole, retarded rather than stimulated this movement. The fruits of years of saving were sacrificed in the support of armies and navies. Capital equipment in the warring nations deteriorated

[1] In Spain 70 per cent. and in other countries two-thirds or more of public revenue was spent for war (Max Weber, *General Economic History* [English translation], New York, 1927, p. 308).

The production of wealth—which sets an absolute upper limit to saving—and the accumulation of capital were arrested.

According to Max Weber,[1] the inventions basic for the genesis of the factory system in the textile industry in the eighteenth century would not have been possible without the English patent law of 1612. This progressive Act, which limited patent rights to fourteen years, contained the essential features of modern legislation.

IV

In the early modern period farming tended to become more capitalistic. Considerable wealth was devoted to the reclamation of waste land and to the improvement of soil already in use.[2] The great contribution of agriculture to the rise of modern capitalism, however, did not consist of its own development along this line, but rather of the changes which promoted the progress of capitalism in commerce and industry. Better tillage, partially ascribable to the enclosure movement in England, and the introduction of improved plants and animals into England and France from the Low Countries, enabled fewer men to feed and clothe these nations and to supply them with raw material. This, the conversion of arable into pasture in England, and the loss of rights in the soil in the process of enclosure, caused a migration of peasants to the cities, where they supplied the increasing demand for industrial and commercial labour.

V

As Max Weber pointed out,[3] Protestantism probably exerted some influence upon the rise of capitalism. Protestant churches were plainer, and the ritual was simpler than those of the Catholic Church. The probable reduction in the expenses of the Church facilitated saving and capital formation by its members. And the example of the Church in parsimony probably inculcated this quality among the parishioners. Calvin deplored the evils of indiscriminate almsgiving as practised by the Catholic Church in the Middle Ages and inveighed against idleness, which he stigmatised as both a sin against God and a social evil.[4] Max Weber

[1] *Op. cit.*, p. 312.

[2] As early as the fourteenth century land was being improved and reclaimed, but there was a significant increase in both of these movements in the sixteenth and seventeenth centuries.

[3] "Die Protestantische Ethik und der Geist des Kapitalismus," *Archiv für Sozialwissenschaft und Sozialpolitik*, Vols. XX, XXI. Like most writers who hit upon a new idea, Weber probably exaggerated the influence of Protestantism upon the rise of capitalism.

[4] R. H. Tawney, *Religion and the Rise of Capitalism*, London, 1926, pp. 114-115.

tells us that our word *calling* is known only to the languages influenced by Protestant translations of the Bible. Among the Protestants, honest and assiduous work—one's calling—was supposed to lead to eternal life. This notion permitted the employer to exploit the workman, who expected to receive a supplementary reward in heaven.[1]

On the other hand, there is good reason to believe that Protestantism may have had little to do with the rise of capitalism. That Catholicism and capitalism are not incompatible is demonstrated by the fact that in the late Middle Ages " religious zeal was nowhere so hot and strong as in Florence,"[2] a veritable cradle of capitalism. In fact, the financial practices of the Vatican, such as the collection of money dues from far-flung regions, contributed to the development of international finance. The Florentine and other bankers who served as intermediaries waxed prosperous. It is commonly accepted that Catholic opposition to cupidity, usury, regrating, and to prices fixed by the free play of economic forces seriously hampered the progress of capitalism.[3] But Luther and Calvin substantially agreed with Rome on all these points.[4] According to Sombart,[5] the later Schoolmen, such as Saint Antoine of Florence (1389-1459) and his contemporary, Bernard of Sienna, had more " sympathy for and understanding of capitalism than the seventeenth-century zealot preachers of Puritanism." In the sixteenth and seventeenth centuries Protestantism afforded little relief from the plethora of religious holidays that afflicted most Catholic countries. Puritans prohibited markets on Saturdays, Sundays, and Mondays. Numerous church services were held during the week.[6] Through opposition to " usury," Catholicism and Protestantism alike created an atmosphere that permitted lay princes to pillage money-lenders. Through mysticism both generated a state of mind diametrically opposed to the rational conduct of business enterprise. The multifarious sects into which Protestantism split in its early stages resulted in wasteful multiplication of churches and duplication of effort.

[1] *General Economic History*, p. 367. Cf. George O'Brien, *An Essay on the Economic Effects of the Reformation*, London, 1923, pp. 68-134.

[2] Werner Sombart, *Quintessence of Capitalism* (English translation), London, 1915, p. 229.

[3] Upon grounds that do not seem convincing, Sombart (*op. cit.*, pp. 243, 247-250) denied that canonical prohibitions of interest interfered with the progress of capitalism. He argued that partnerships were always considered legitimate and that the illegitimacy of interest forced investors to take risks. In this way a spirit of adventure was developed. Apparently Sombart did not take account of the fact that a fair percentage of the population consisted of the timorous, who would hoard rather than adventure their funds.

[4] R. H. Tawney, *op. cit.*, pp. 79-102, 119.

[5] *Op. cit.*, p. 244.

[6] *Ibid.*, chap. xix.

May it not be possible that capitalism arose without aid from Protestantism and that the Puritans and other Calvinists finally accepted the inevitable? It has even been argued that Calvinism "was the natural outgrowth of the economic ideas of the age, and can be readily traced to such an origin."[1] It is probable, however, that the Calvinistic doctrine of predestination facilitated acceptance of the changing economic order.

VI

It may not be amiss to examine at this point Sombart's views concerning the capitalist spirit. His thesis, as follows, is strikingly reminiscent of Aristotle [2] and of Karl Marx [3] (who was influenced by Aristotle). "In earlier times, when the needs of the community determined economic activities, these had natural boundaries or limits. There can be no such limits when economic activities are determined by acquisitiveness and by flourishing businesses."[4] This is a typical manifestation of man's ubiquitous tendency—from Confucius and Plato to the present—to idealise the dim past, of which the sordid has been forgotten, and to depreciate the present, of which the glamour is recondite. This tendency to postulate a golden age with subsequent degeneration probably explains the attempts of Sombart and others to show that the development of a capitalistic spirit antedated or roughly synchronised with the early stages of modern capitalism.

Most writers have invested the term *capitalist spirit* (*Geist des Kapitalismus*) with two distinct meanings. Sometimes it is used as the equivalent of economic motive, a sheer desire for gain. Again it is taken to mean a knowledge of the principles of business management. The supposed genesis of an absorbing desire for economic gain cannot be traced to the late Middle Ages or the early modern period. To prove this assertion, one need only point to the writings of ancient and medieval theologians and moral philosophers. That these writings are replete with denunciations of cupidity is a fact too patent to require citations. The widely held opinion that members of medieval guilds were not animated by a desire for gain—that production at their hands was for use rather than for profit—has little foundation in fact. That the economic motive was present throughout the Middle Ages is attested by the constant and persistent efforts of guilds to prevent transverse division of labour and to limit the number of appren-

[1] Simon N. Patten, *The Development of English Thought*, New York, 1899, p. 112. Cf. Werner Sombart, *op. cit.*, chap. xxi.
[2] *Politics* (Jowett edition), Oxford, 1920, pp. 42-46.
[3] *Capital*, Vol. I, pt. ii, chap. iv. [4] Werner Sombart, *op. cit.*, pp. 173-174.

tices employed by one master. These regulations were obviously inspired by the fear that capitalistically inclined masters would proletarianise their fellow craftsmen. When used to mean a knowledge of sound principles of business management, the *capitalist spirit* is a complex development that must have synchronised with the rise of capitalism. There doubtless was some interaction between progress in commerce, industry, and finance and the art of business management, but it would be difficult to prove that better business management was the prime mover.

VII

Although, as has been shown, many other forces contributed to the rise of modern capitalism, the phenomena associated with the discoveries of America and of the passage around the Cape of Good Hope to the East Indies were the principal factors in this development. Long distance voyages led to increases in the size of vessels and improvements in the instruments and technique of navigation analogous to the recent advances in aviation stimulated by transatlantic flying. As Adam Smith pointed out,[1] the widening of the market facilitated division of labour and led to technological improvements.[2] The introduction of new agricultural commodities from America and of new agricultural and manufactured goods, especially luxury products, from the East stimulated greater industrial activity to provide the wherewithal to pay for them. Emigration to colonies in the New World and to settlements in the East lessened the pressure of population upon the soil of the mother countries and thus enhanced the surplus—the excess of national production over national subsistence—from which savings could be drawn. The opening of distant markets and sources of supply for raw materials was a significant factor in the transfer of the control of industry and commerce from the guilds to capitalist employers. The old guild organisation—unable to cope with the new problems in purchasing, production, and marketing—commenced to disintegrate and finally gave way to the capitalist employer, a more efficient medium of control.

Let us turn to the greatest influence that the discovery of America had upon the progress of capitalism, to the vast influx of gold and silver from American mines. During the fifteenth century—perhaps in the fourteenth also—expanding industry and commerce in conjunction with stationary production of the precious metals generated a decline in prices which, through its

[1] *Op. cit.*, Vol. II, pp. 92-93.

[2] For an excellent recent discussion of this matter, see A. P. Usher, *Industrial History of England*, New York, 1919, p. 23.

effect on profits, seriously hampered business enterprise. It is probable that even if additional supplies of the precious metals had not been procurable in the New World, its colonisation, though retarded, would ultimately have taken place and that to some extent the markets of the East Indies would have been exploited. The consequent increase in the volume of trade would have had a disastrous effect upon prices, and the progress of capitalism would have been impeded. As the familiar complaints of Buridan and Oresme indicate, the orgies of debasement that swept over Europe in the late Middle Ages and early modern period did not alleviate the price situation. Monetary depreciation, causing increases in prices sufficient to breed chaos, was often followed by sudden restoration of the coinage, resulting in a precipitous decline of prices. Not until El Dorados were discovered in the New World did European business find relief from falling prices.

All the great colonising powers of the early modern period sought gold and silver. Greed for treasure was one of the greatest stimuli to colonisation, but Spain alone was successful in her quest.[1] As early as 1503 Spain commenced to receive gold from Hispaniola with surprising regularity and shortly afterwards from Cuba and Porto Rico as well. Bating the driblets of gold from the region around Panama after 1513, no treasure came from the American continent before November 5th, 1519, when the first Aztec spoils reached Spain. Some fifteen years later the motherland began to enjoy Incan booty sent by Pizarro. Though the conquests of Mexico and Peru, with the resultant robbery, are among the most dramatic episodes in human history, the treasure obtained in this way was—contrary to general opinion—a mere bagatelle in comparison with the receipts from mining at a later date, especially after the discoveries of the renowned silver mines at Potosí, Guanajuato, and Zacatecas and the perfection of the amalgamation process for extracting silver, all of which occurred between 1545 and 1560. From the middle of the sixteenth century to the 'thirties of the seventeenth the treasure of the Indies poured into the motherland at a rate that exceeded the most fantastic dreams of the *conquistadores*. Thereafter the stream of gold and silver lessened considerably, but did not cease entirely.[2]

With minor exceptions, all the treasure, public and private

[1] Beginning about 1693, Portugal obtained considerable quantities of gold from Brazil (Adolf Soetbeer, *Edelmetall-Produktion und Werthverhältniss zwischen Gold und Silber*, Gotha, 1879, pp. 83-91).

[2] A comprehensive account (written from original sources) of the gold and silver Spain received from her colonies in the New World can be found in my article, "Imports of American Gold and Silver into Spain, 1503-1660," *Quarterly Journal of Economics*, May, 1929, pp. 436-472.

alike, that legally entered Spain from the New World was deposited in the House of Trade (*Casa de la Contratación*) at Seville, where it was delivered to its original owners or to silver merchants who bought it.[1] Through the " Ricardian " specie-flow mechanism [2] and divergent bimetallic ratios,[3] American gold and silver were diffused throughout the world. Satisfactory data concerning the absorption of American treasure are lacking,[4] but there is good reason to suppose that most of it went to the great trading centres of England, France, and the Low Countries. Writing in 1629, Alonso de Carranza, who was thoroughly familiar with the India trade, gives us a list of the cities that first received the gold and silver smuggled into Spain.[5] They were London, Rouen, Antwerp, and Amsterdam. Documents preserved in the Archivo General de Indias at Seville prove that some smuggled treasure reached Lisbon. Though most of the American treasure that came to Europe passed through Spain,[6] interlopers carried some of it

[1] As is well known, a part of the treasure was sequestered upon arrival in Spain.

[2] We may safely assume that at the opening of the sixteenth century a rough equilibrium existed between the price levels of Andalusia, the region first flooded with American gold and silver, and those of England and France. Since Andalusian prices rose a great deal faster than those of England and France during the sixteenth century—rising in that period almost twice as much as those of England and France had increased by the middle of the seventeenth century—there must have been an outflow of specie to settle an adverse trade balance (Earl J. Hamilton, "American Treasure and Andalusian Prices, 1503-1660," *Journal of Economic and Business History*, November, 1928, pp. 31-33).

[3] Fabulous profits were obtainable through the shipment of gold or silver from a country in which it was undervalued to one where it was overvalued. For instance, a gross profit of 20·74 per cent. could be had on shipments of silver from Spain to Venice, 1609-1630, and during the next eight years the profit stood at 29·27 per cent. (computed from data in W. A. Shaw's *History of Currency*, London, 1895, pp. 69-70, and some of the unpublished results of my research in Castilian money). But can even so great a gain account for the diffusion of American treasure? Obviously equal profits could have been made by shipping gold from Venice into Spain, and the gold would have had a mint price greater than that of the silver to the extent of the profit on the two transactions. Hence it appears that writers who have listed divergent bimetallic ratios as a cause of the international movement of the precious metals may have erred. Yet it should be remembered that prices were considerably higher in Spain than in Italy at this time—so more than 30 per cent. profit could be made on goods shipped into Spain—and that most dealers in bullion and foreign exchange were then merchants as well. It follows that the undervalued metal moved from Spain into other countries and goods in the reverse direction. Therefore it seems that divergent bimetallic ratios were a significant factor in the scattering of American gold and silver throughout the world.

[4] It is possible that material deposited in archives of the Spanish Basque provinces will throw a good deal of light on this subject. I hope to make use of these records in the future.

[5] *El Adjustamiento i Proporción de las Monedas de Oro, Plata, i Cobre*, Madrid, p. 377.

[6] In the second decade of the eighteenth century the anonymous author of *Comercio de Holanda* said (p. 95) that almost all the specie in Europe had been brought to Spain from Mexico and Peru. According to Manuel Colmeiro, Spain received from 83 to 87 per cent. of all the American treasure reaching Europe during the first three centuries after the discovery (*Historia de la Economía Política en España*, Madrid, 1863, Vol. II, pp. 434-435).

directly to other countries. Since the English, French, and Dutch took the lead in this practice, it may be presumed that they received the bulk of the gold and silver. Spanish armies in France during the sixteenth century and in the Low Countries during the seventeenth spent large sums of the precious metals in or near important trading centres.

It is significant that Portugal, Holland, England, and France—the countries that received a large percentage of American gold and silver—monopolised the East India trade. Was there a causal connection between treasure and trade?

Undoubtedly the discovery of the Good Hope passage to the fabled Spice Islands would have stimulated trade in any event, but the physical barriers to transportation and the political throttling of trade along former routes by the Ottoman Turk were not the only obstacles to be overcome. For some inexplicable reason Orientals have always had a penchant for hoarding treasure.[1] Hence, even in response to a protracted inflow of specie, Oriental prices, unlike those of the Western World, did not rise sufficiently to induce a counter flow. For more than two thousand years the East has proved a necropolis for European gold and silver.[2] The seventeenth-century pamphleteers who in tract after tract denounced the English East India Company for draining away the country's treasure were not mistaken as to the facts. European products were carried to the East, but silver was the commodity that could be exchanged for Oriental goods on the most advantageous terms.[3] So treasure flowed from Portugal, Holland, England, and France to the Orient in exchange for the eagerly sought spices and luxury goods of that region. Notwithstanding the enormous profits obtained in the East India trade, the passage around the Cape of Good Hope might have been rendered nugatory by a dearth of specie but for the vast streams of Mexican and Peruvian silver flowing into Europe. The voyage

[1] Alonso de Carranza averred (1629) that the Chinese, anticipating a cessation of production at Potosí, were making and burying huge balls of silver (*op. cit.*, pp. 371-375).

[2] "Pliny tells us of the immense amount of Indian spices consumed at the funeral of Sabina Poppaea, the favourite of Nero, in A.D. 65, and laments the consequent drain of precious metals to the East." George Unwin, *Studies in Economic History*, London, 1927, p. 229.

[3] From January 17th, 1873, to March 3rd, 1887, the United States coined a "trade dollar" of 420 grains for the specific purpose of enabling Mexican traders in the Orient to compete with merchants using Mexican silver dollars (A. B. Hepburn, *History of Coinage and Currency in the United States*, New York, 1903, pp. 278-280, 571).

[4] It is significant that bitter complaints against the English East India Company commenced about 1640, thus synchronising with the precipitous decline in the imports of American gold and silver into Europe (see my article on "Imports of

of Columbus was an imperative supplement to that of da Gama

For about two thousand years monopoly of the East India trade—a trade that has always enriched the nations able to control it—has been an object of policy and a prize of diplomacy. But in the first two and a half centuries after the voyages of da Gama and Columbus the struggle for hegemony in the East Indies was intensified manyfold. Not only did statesmen precipitate or sanction sanguinary wars, but writers counselled aggression as a means of achieving political and economic ascendancy. Did the profits of the trade justify this rivalry?

From the very beginning of the modern era trade with the East Indies by the Cape route was almost incredibly lucrative. It is difficult to find in the annals of business either greater profits than those obtained on some of the early voyages to the Spice Islands or records of sustained earnings that surpass those of the English and Dutch East India Companies during the seventeenth century. "Da Gama returned to Lisbon in 1499 with a cargo which repaid sixty times the cost of the expedition,"[1] affording a profit of about 6,000 per cent. The *Victoria*, sole survivor of the memorable fleet of Magellan, brought back to Spain 556·72 quintals of spice, of which 501·35 were sold in Seville at 42 ducats[2] per quintal.[3] If we assume that the remaining 55·37 quintals were saleable—and at the same price—, the cargo was worth 23,382·24 ducats, a sum comparable to the value of the specie borne by the average treasure ship at that time. I know of no satisfactory account of the profits Portugal obtained from commerce with the East in the sixteenth century, during most of which she was in the ascendency:[4] but such figures are not wanting for Holland—the nation upon which the Portuguese mantle fell in the seventeenth century. The Dutch East India Company, organised in 1602, was a highly successful enterprise until the close of the seventeenth century. "For nearly two hundred years it declared dividends ranging from 12½ per cent. to 20, 40, or even 50 per cent.; the average dividend from 1602 to 1796 was over 18 per cent."[5] The

American Gold and Silver into Spain," *Quarterly Journal of Economics*, May, 1929, pp. 464-465).

[1] Clive Day, *History of Commerce*, New York, 1928, p. 184.

[2] The Spanish ducat, a money of account, was equivalent to about 543·75 grains of pure silver.

[3] Archivo General de Indias, *Contaduria*, 3-1-1/15.

[4] Abundant material in the archives of Portugal probably awaits the investigator who cares to make a study of trade and navigation between Portugal and the East Indies during the sixteenth century.

[5] Clive Day, *op. cit.*, p. 196. During the eighteenth century dividends were paid largely with borrowed money, the last being declared in 1782 (Clive Day, *Dutch in Java*, New York, 1904, p. 71).

earnings of the English East India Company were stupendous. On some of the early voyages profits of 195, 221, 311, 318, and 334 per cent. were realised. During the seventeenth century dividends averaged about 100·21 per cent.[1]

Although the joint-stock company antedates the English and Dutch East India Companies, the fabulous dividends paid by these two concerns fomented its progress and diffusion. "It was these great successful companies which made the device of share capital generally known and popular; from them it was taken over by all the continental states of Europe."[2]

The enormous profits obtained from the East India trade doubtless contributed powerfully to capital formation and thus to the rise of modern capitalism. The bulk of savings at the present time come directly or indirectly from individuals with high incomes,[3] and presumably this has always been true. Therefore the profits of the Dutch and English East India Companies, not t mention those of interlopers engaged in the same trade, must have afforded considerable stimulus to saving. Bating loans to Governments and ecclesiastical organisations, most of the savings were invested in commercial, industrial, or financial enterprises.

Particularly important is the price revolution precipitated by the great influx of American gold and silver.[4] Could a mere upheaval of prices stimulate or retard the progress of capitalism? Obviously a general increase in prices, all rising equally and simultaneously, could disturb the existing order only in so far as it benefited debtors at the expense of creditors. May it not be argued that capitalists[5] as a class could not gain through divergent

[1] This figure is not to be taken as minutely correct. It has been computed from data in W. R. Scott, *Joint-Stock Companies*, Cambridge, 1910, Vol. II, pp. 123-128, 177-179.

"We learn from Macaulay's History that during the twenty years succeeding the Restoration, the value of the annual imports from Bengal alone rose from £8,000 to £300,000, and that the gains of the Company from their monopoly of the import of East Indian produce were almost incredible" (Lyall, *British Dominion in India*, p. 38).

[2] Max Weber, *op. cit.*, p. 282.

[3] Cf. A. B. Wolfe, "Savers' Surplus and the Interest Rate," *Quarterly Journal of Economics*, Vol. XXXV, pp. 10-16; David Friday, "Wealth, Income, and Savings," *Annals of the American Academy of Political and Social Science*, Vol. LXXXVII, p. 42.

[4] Werner Sombart (*op. cit.*, pp. 317-318), Henri Sée (*Les Origines du Capitalisme Moderne*, Paris, 1926, chap. iii), and Max Weber (*op. cit.*, pp. 311, 352-353) have averred that American specie contributed to the rise of capitalism, but have failed to indicate the mechanism through which its influence was exerted.

[5] Following the lead of most economists who wrote before the nineteenth century, I am making no distinction in this paper between *capitalist* and *entrepreneur*. By the end of the eighteenth century investment and management had not become separate functions. As I am using the term, *profits* comprise wages of management, insurance against risk, and interest on capital.

movements of prices, that at most some might profit to the extent that others lost? If all commodities and services were sold by capitalists, this argument would be tenable. But two important classes of services, those of land and labour, were sold to entrepreneurs by landlords and labourers.

Precise data concerning the course of rents during the sixteenth and seventeenth centuries are lacking, but for England reasonably satisfactory evidence indicates that rents lagged considerably behind prices. The Knight in Hales' *Discourse on the Common Weal of This Realm of England* (1549) repeatedly stated that the lag of rents behind prices had impoverished landlords.[1] He declared that "the most part of the landes of this Realme stand yet at the old Rent" and explained that "sume have takinges therein, as lessees or copies not yet expired, which cannot be enhaunced, thoughe the owners wold."[2] On acquiring new land or upon the expiration of leases the Knight raised rents, but he did not expect a third of his land to come to his "disposition" during his lifetime, nor perchance during the lives of his sons.[3] We are told by such eminent economic historians as Lipson [4] and Tawney [5] that rents rose less than prices during the sixteenth century. Consequently the landowning class suffered a diminution of income. This tends to support the contention of von Strieder that capital accumulation did not come largely from rent, as Sombart maintained.

A paucity of data concerning wages—unlike the case of rent—does not handicap our investigation of the relations between prices and wages. Utilising the price statistics collected by Thorold Rogers [6] for England and for France by Vicomte d'Avenel,[7] Georg Wiebe[8] has constructed index numbers of prices and wages during the price revolution.

Table I [9] comprises index numbers of prices and wages in England, 1500-1702, and Chart I shows the same data in graphic form. The prices of seventy-nine commodities and the wages of nine classes of labour enter into the index numbers.

[1] Lamond edition, Cambridge, 1893, pp. 19, 38, 39, 41, 81, 86.
[2] Pp. 38-39.
[3] P. 19.
[4] *Economic History of England*, London, 1912, p. 309.
[5] *Agrarian Problem*, London, 1912, p. 309.
[6] *A History of Agriculture and Prices in England*, Oxford, 1882-1887, Vols. III-VI.
[7] *Histoire Economique de la Propriété, des Salaires, des Denrées, et de Tous Prix en Général*, Paris, 1894-1926, Vols. I-VII.
[8] *Zur Geschichte der Preisrevolution des XVI und XVII Jahrhunderts*, Leipzig, 1895.
[9] Compiled from data in Georg Wiebe, *op. cit.*, pp. 374-377.

CHART I

INDEX NUMBERS OF PRICES AND WAGES IN ENGLAND, 1500-1702
(Index for 1451-1500 = 100)

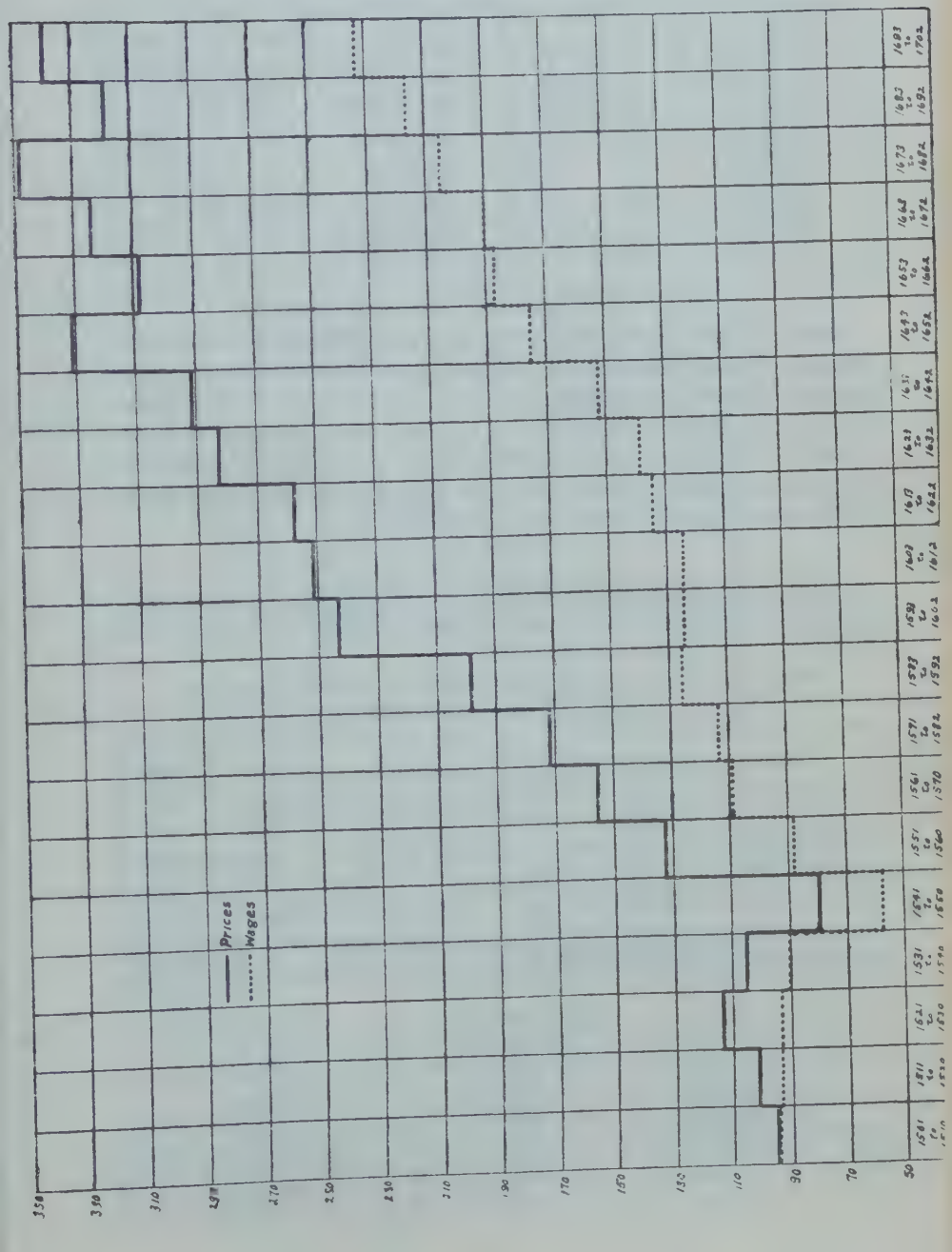


TABLE I

INDEX NUMBERS OF PRICES AND WAGES IN ENGLAND, 1500-1702
(Index for 1451-1500=100)

Period	Prices	Wages	Period	Prices	Wages
1501-1510	95	95	1603-1612	251	124·5
1511-1520	101	93	1613-1622	257	134
1521-1530	113	93	1623-1632	282	138·5
1531-1540	105	90	1633-1642	291	152·5
1541-1550	79	57	1643-1652	331	175
1551-1560	132	88	1653-1662	308	187
1561-1570	155	109	1663-1672	324	190
1571-1582	171	113	1673-1682	348	205·5
1583-1592	198	125	1683-1692	319	216
1593-1602	243	124	1693-1702	339	233

Table II and Chart II present index numbers of prices and wages in France, 1500-1700.[1] Twenty-four commodities and nine grades of labour are included in the index numbers.[2] The value of the wage index is impaired by the fact that the pay of three classes of labourers includes subsistence. As might be expected, the money wages of these workmen rose slightly less than those of the labourers who supported themselves.[3]

[1] Compiled from data in Georg Wiebe, *op. cit.*, pp. 378-379.

[2] The following table (compiled from figures in Wiebe, *op. cit.*, pp. 372-373) shows that the relative trends of prices and wages in Alsace were similar to those of France :

INDEX NUMBERS OF PRICES AND WAGES IN ALSACE, 1500-1700
(Index for 1451-1500=100)

Period	Prices	Wages	Period	Prices	Wages
1501-1525	99	89	1601-1625	237	105
1526-1550	114	91	1626-1650	341	138
1551-1575	156	88	1651-1675	220	114
1576-1600	205	103	1676-1700	252	103

[3] The following table gives index numbers of wages with subsistence and without subsistence (computed from figures in Georg Wiebe, *op. cit.*, pp. 378-379). Index for 1451-1500=100.

Period	*Without Subsistence*	*With Subsistence*
1501-1525	92	94
1526-1550	108	97
1551-1575	108·5	91
1576-1600	122	95
1601-1625	116	103·5
1626-1650	126	132
1651-1675	129·5	123
1676-1700	123	128·5

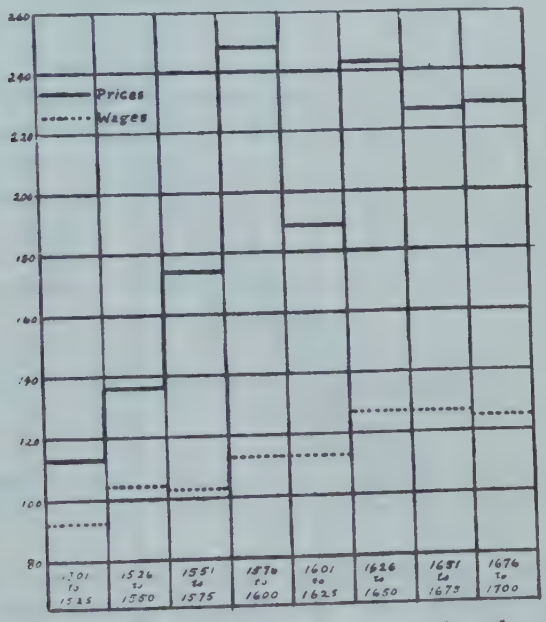
TABLE II

INDEX NUMBERS OF PRICES AND WAGES IN FRANCE, 1500-1700
(Index for 1451-1500 = 100)

Period	Prices	Wages	Period	Prices	Wages
1501-1525	113	92	1601-1625	189	113
1526-1550	136	104	1626-1650	243	127
1551-1575	174	103	1651-1675	227	127
1576-1600	248	113	1676-1700	229	125

CHART II

INDEX NUMBERS OF PRICES AND WAGES IN FRANCE, 1500-1700
(Index for 1451-1500 = 100)



Since almost all the American treasure that legally entered Europe came to Seville, the relations between prices and wages in Andalusia merit consideration. We do not have data for the period after 1660 ; but, as has been said, by about 1640 the stream of American gold and silver had dwindled to insignificant proportions.

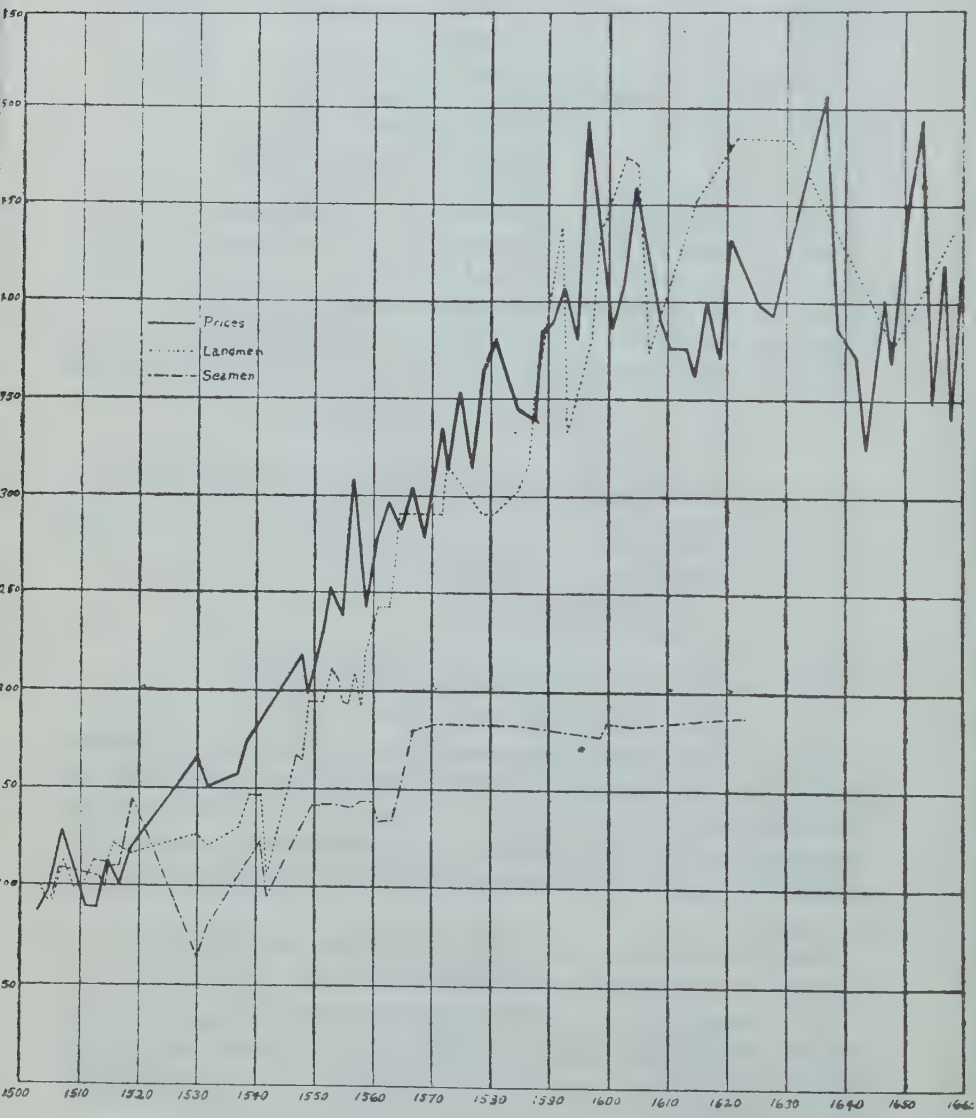
Chart III shows index numbers of prices and of the wages of landmen and seamen in Andalusia, 1503-1660.[1] For the sake of

[1] For a statement of the commodities used, sources of the statistics, and methods employed in studying Andalusian prices, see my article, "American Treasure and Andalusian Prices, 1503-1660," *Journal of Economic and Business History*, November, 1928, pp. 1-35. For similar information concerning wages, see my forthcoming article (in press), "Wages and Subsistence on Spanish Treasure Ships," in the *Journal of Political Economy*.

brevity, the table is omitted. The index numbers include the prices of twenty-four homogeneous commodities and the wages of four classes of landmen and thirteen classes of seamen.[1]

CHART III

INDEX NUMBERS OF PRICES AND OF THE WAGES OF LANDMEN AND SEAMEN IN ANDALUSIA, 1503-1660
(Index for 1503-1511 = 100)



[1] In addition to money wages, seamen received maintenance.

VIII

The conclusion is inescapable that the discoveries of America and of the Cape route to the East Indies were highly important factors in the rise of modern capitalism. Changes in trade routes, the widening of markets, contacts with distant lands and strange peoples, and a more perfect knowledge of geography conspired to perturb the minds of men much as does our increasing power over nature to-day. The price revolution set in motion by American gold and silver contributed directly to the progress of capitalism. Textile manufacturing, the leading industry, was dominated by the domestic (putting out) system, and its disintegration caused production to be spread over a considerable interval of time. The price paid for goods in the East Indies was largely determined by their value in Europe when the traders sailed, but by the time the ships returned prices had usually risen a great deal. Hence enormous windfalls were thrown in the laps of traders and manufacturers.

In England and France the vast discrepancy between prices and wages, born of the price revolution, deprived labourers of a large part of the incomes they had hitherto enjoyed,[1] and diverted this wealth to the recipients of other distributive shares. As has been shown, rents, as well as wages, lagged behind prices; so landlords gained nothing from labour's loss. For a period of almost two hundred years English and French capitalists—and presumably those of other economically advanced countries—must have enjoyed incomes analogous to those American profiteers reaped from a similar divergence between prices and wages from 1916 to 1919.

Perhaps a hypothetical example will clarify the connection between prices, wages, and profits. Let us assume that of every 100,000 pounds' worth of goods produced by a capitalist in England or France at the beginning of the sixteenth century 60,000 went to wages, 20,000 to rent, and 20,000 to profits. The profits on the turnover amount to 25 per cent. Reference to Tables I and II will prove it not unreasonable to suppose that at

[1] It is noteworthy that almost all writers on wages between 1500 and 1700 held a subsistence theory of wages, a theory that is discredited by Charts I and II. Either real wages were not at the minimum of subsistence during the base period, 1451-1500, or they fell to about one-half this amount by 1700. This goes to show how unsatisfactory is general observation as a means of verifying economic theory. If adequate data had been available and economists had had satisfactory knowledge of statistical methods, one wonders whether the subsistence theory of wages would not have been thrown overboard. It is significant that Sir William Petty, perhaps the best economic statistician of the seventeenth century, held this theory. It should be remembered, however, that Petty was never satisfied with the statistical sources at his disposal.

the close of the sixteenth century the same product would have been sold for about 250,000 pounds; that wages would not have amounted to more than 75,000; and, making the unreal assumption that rents did not lag behind prices, not more than 50,000 pounds would have gone to rent. Profits amount to 125,000 pounds, or 100 per cent. on the turnover. The lag of wages behind prices has quadrupled profits.

The windfalls thus received, along with gains from the East India trade, furnished the means to build up capital equipment, and the stupendous profits obtainable supplied an incentive for the feverish pursuit of capitalistic enterprise. We find, as might be expected, that during the seventeenth and latter part of the sixteenth centuries England, France, and the Low Countries were seething with such genuinely capitalistic phenomena as systematic mechanical invention, company formation, and speculation in the shares of financial and trading concerns. The developments of this period, accelerated and fructified by the important series of mechanical inventions in the last half of the eighteenth century, were a significant step in the direction of the modern factory system, with the concomitant developments in commerce and finance.

The close connection between the East India trade and American treasure and the rise of modern capitalism has been overlooked or neglected largely because Portugal, the first nation to profit from trade with the Spice Islands by the Cape route, and Spain, the recipient of American gold and silver, showed no significant progress toward capitalism. It is true that well-rounded capitalism did not emerge in Portugal or Spain, but this fact is not incompatible with the thesis of the present paper—namely, that profits from the East India trade and the influx of Mexican and Peruvian silver were the most important, but not the only, factors in the rise of modern capitalism and that American treasure exerted its influence through a lag of wages behind prices during the price revolution. Factors essential to the progress of capitalism were lacking in Portugal. The loss, in colonial enterprise, of the best blood of the nation, which was largely of foreign origin, stripped the country of able and virile leaders, and the inane expulsion of Jews [1] deprived business of much of its best talent. Religious fanaticism, resulting in various persecutions and expulsions of Jews and Moors, precluded or interfered with the conduct of business by two of the most economically capable classes in

[1] See Werner Sombart, *The Jews and Modern Capitalism* (English translation), London, 1913, p. 13.

Spain. An examination of Chart III will reveal that the mechanism through which American treasure operated did not function in Andalusia, nor presumably in the rest of Spain, as it did in England and France. Wages lagged behind prices, but not enough to afford extraordinary profits and thus to give a great impetus to capitalism. Through possession of El Dorados in New Spain and Peru, Spaniards expected to wax prosperous without work.[1] Similar results were engendered in France in the wake of the Great War by the delusion that Germany would be made to pay fantastic reparations and in the South of the United States after the Civil War by the confident expectation of manumitted slaves that the Government would provide every nascent freeman with a mule, farming equipment, and forty acres of fertile soil.

[1] Jean Bodin seemed to realise that gold and silver from the New World tended to make indolent the Spaniards of his day (*Réponse aux Paradoxes de Malestroit*, Paris, 1568).

Book Reviews

Notes on Malthus' Principles of Political Economy. By DAVID RICARDO. Edited with an introduction and notes by JACOB H. HOLLANDER and T. E. GREGORY. 1928. Johns Hopkins Press and Humphrey Milford, Oxford University Press. pp. cxviii+246. 22s. 6d.

I am afraid that when Professor Gregory, trembling with excitement, disclosed to me the startling intelligence that Ricardo's notes on Malthus had been found, I was scarcely as sympathetic as he might have expected. I was oppressed by the consciousness that long-delayed posthumous publications seldom meet with great success. Jevons's very suggestive *Principles* suffered much from being withheld so long from the public. The Oxford University Press had only succeeded in selling some six or seven hundred copies of Adam Smith's *Lectures* in thirty years from their discovery, though they are of far greater interest in the history of the development of theory than Ricardo's *Notes* were at all likely to be. And now, with the portly, large-margined volume created by the liberality of Johns Hopkins and the skill and industry of its two editors before me, I am still pessimistic.

Each of Ricardo's notes is prefaced by Professor Gregory's summary of the passage in Malthus commented upon, and these summaries are a model of compression and correctness. But one note with its introductory summary follows another in a desultory disconnected manner which will repel any but the most enthusiastic investigator. The editors have tried to get over this by prefixing Malthus's Table of Contents. I think it would have been more useful to prefix, or better still to intersperse, the Summary which Malthus appended to his book, and which seems often much sounder than his text. But this would have been merely a palliative. What was really wanted was a reprint of Malthus's book with Ricardo's notes added, each in its proper place at the foot of the page. As things are, anyone who wants to enjoy the work and get the most out of it must read Malthus and introduce the notes as he goes along. He will then have the advantage of seeing not only what Ricardo thought worthy of comment, but also what he passed over without comment, which is often more instructive.

In addition to the editorial slips and printer's errors noticed by Dr. Bonar in the June *Economic Journal*, I observe that on p. 127 the summary misses the point of the comment by omitting Malthus's reference to proportions; on p. 21 "above" is printed for "alone"; on p. 39 "lost" for "cost"; on p. 163 "labourer" for "labourers"; on p. 177 "easily" for "really"; and on p. 197 "there" for "these"; and I suspect Ricardo wrote "quantity" at the top of p. 146 where "quality" appears; on p. 239 "value of the National Debt" is an odd mistake for "national wealth," but not nearly so odd as "Even filial pity (*sic*) prevented J. S. Mill from making any larger claim" for "Even filial piety did not induce J. S. Mill to make any larger claim," in the Introduction, p. lxxxii.

More irritating than such errors is the plan adopted of indicating Ricardo's insertions and deletions alike by square brackets and distinguishing them only by the footnotes "inserted," or "deleted," so that the printed text is often nonsense if read with all the bracketed matter included, and equally nonsense if the bracketed matter is all excluded. To get at what Ricardo finally decided to say it is necessary to refer to the footnote appended to every pair of brackets—which is perfectly maddening and prevents any appreciation of the argument. If the work ever gets to a second edition reproduced by photography, this defect might be removed by ruling a line through all the "deleted" words and passages.

Coming now to the substance of Ricardo's work, I think it rather confirms the view that contemporary disputants tend to overrate their differences. Malthus's *Political Economy* was designed by him as a counterblast to Ricardo's principal doctrines, and evidently moved Ricardo to something as near anger as his equable mind and kindly spirit could harbour. But to us, a hundred years afterwards, the matters in which the two men differed seem mint and cummin compared with those on which they agreed, and on which we of to-day disagree with both.

Their perennial dispute about "real value" only continued so long because neither of them had any strong hold of the relativity of value. Ricardo shows a glimmering of the truth when he says in comment on Malthus, p. 60: "Length can only be measured by length, capacity by capacity, and value by value"; but he has nothing to say when Malthus exposes himself to the most damaging attack in the following passage (p. 119, bottom):

"By improvements in machinery, cloth, silks, cotton, hats, shoes, money, and even corn, for some years might be greatly increased in

quantity at the same time. Yet while this remarkable alteration had taken place in these commodities the value of any one of them in exchange for any other, or even with the mass of the others collectively, might remain exactly the same."

We moderns would say that in such a case the values of things obviously remained just as they were before ; each is of the same value measured in each of the others. The ungrammatical " even with the mass of the others " might give us some trouble, but we should suppose that what is meant is that, on some improbable assumptions of equal elasticities of demand or unequal improvements, the total value of each commodity might bear the same proportion as before to the aggregate value of the whole of them. But Malthus shows in the next sentence that he thinks the values would have all gone down because the unit of each commodity would then buy less labour. Ricardo's view was really identical, except that he thought the values would have gone down because the unit of each commodity would have *cost* less labour to produce. Thus both men hopelessly confused value with what Malthus calls " facility of production."

If they had grasped the idea of the relativity of value, they would have seen that their desideratum, an invariable standard of value, was not only unattainable in practice, but was a theoretical impossibility since, as soon as it showed that the value of other things measured in it had varied, it would also have shown that its own value had varied measured in them.

In their dispute whether values depend on cost of production or on supply and demand, Malthus's summary on pp. 532-3 has quite a modern ring, and the argument in the text induces Ricardo to write :

" Mr. Malthus mistakes the question—I do not say that the value of a commodity will always conform to its natural price without an additional supply, but I say that the cost of production regulates the supply, and therefore regulates the price. And let me further observe that I say this is true only in cases where there is no monopoly, and everyone is free to supply the commodities in such quantity as he chooses "(*Notes*, p. 21).

This leaves very little between the disputants so far as the main question is concerned. On the detail whether the rent of " land " was part of the cost of production or not, they continued to imagine themselves diametrically opposed, but with very little reason apart from disagreement on the question of protection to agriculture. Malthus wants to include " all the rent which in the actual circumstances of society " is necessary

to bring a commodity to market " in the quantity required " (*P. E.*, p. 105), but this does not prevent him from treating rent as the result of an " excess of the price of raw produce above the costs of production " (*ib.*, p. 139; cf. Summary, pp. 540, 542). To neither of the writers does it ever occur that a theory of value should cover the annual value of land as well as the value of products and commodities. Nor does either of them think it worth while to inquire whether the rent about which they dispute is to be the value of unimproved land given by Nature, as Ricardo thought when writing his chapter on Rent, or that plus the value of all " permanent " improvements, as he thought when writing his chapter on Poor Rates. Nor does either ever even approach the question, " What is the value of unimproved land when it has ceased to exist owing to being turned into improved land? "

Just on one point, the relation of aggregate rent (whether in the one sense or the other does not appear) to aggregate produce, Ricardo does expose his position more clearly than in his *Principles*. In the preface to the *Principles*, he declared that the principal problem in political economy is to determine the laws which regulate the proportions in which the whole produce of the earth is distributed between wages, profit, and rent, and in the chapter on Value he typifies the " produce of the earth " as " hats, coats, and quarters of corn " distributed in the proportions of 25 per cent. to labourers, the same to landlords, and the remaining 50 per cent. to capitalists, and says that if, on the whole produce being increased from 100 to 200, the percentages were 22 per cent. to labourers, 22 to landlords, and 56 to capitalists, he " would say that wages and rent had fallen and profits risen." It is obvious to us in our day that a " rise " or " fall " of wages in this Ricardian sense is not necessarily coincident with a rise or fall of wages in the ordinary sense of the words in the English language; if the number of labourers is unaltered or diminished, the change supposed in Ricardo's example will be not a fall but a rise of wages in ordinary English, and if the number of labourers is increased, it may be a rise or fall according to the magnitude of the increase. Similarly, it is obvious to us that the Ricardian " rise of profits " may or may not be a rise of profits in the ordinary sense, since the capital may have increased to more than 212 per cent. of its former amount.

Now Malthus, I think, never objects to Ricardo's proposed use of a rise of profits in the sense of a rise in the proportion of produce obtained by the capitalist as a whole. Like all or most

of his contemporaries, he was in the thrall of a confusion between capital and amounts paid as wages which made him fail to distinguish clearly between the percentage of the product obtained by the capitalists and the percentage obtained on their capital—a confusion which is found as late as in the work of Leroy Beaulieu. But he objects strongly to Ricardo's language so far as it relates to wages and rent.

When he objects to being asked to use rises and falls of wages in the Ricardian instead of the ordinary sense, the issue on the proper ground of convenience of language is never really joined ; the two men get themselves entangled in their futile dispute about value, and the discussion becomes tiresome in the extreme. There is no substance in it, because rent somehow gets left out, so that the proportions considered are not proportions of all the " hats, coats, and quarters of corn " produced, but only of all those which are received by the labourers and capitalists, and Ricardo seems to imagine that all he has to do is to assert the truism that, if the labourers as a whole get a larger proportion of the produce divided between them and the capitalists, the capitalists will get a smaller one. He regards the initiative, so to speak, as coming from the labour side because the labourer " must live," but we cannot help feeling that the whole idea of proportionate wages arose merely from the current habit of identifying the rate of profit with proportionate profits. But with regard to Ricardo's views on the proportion borne by rent to the whole produce, we can learn something from the *Notes*.

Some at least of his followers have understood him to hold that rent (and that, too, in his first conception of it, as the value of unimproved land) is a kind of vampire which becomes a larger and ever larger proportion of the whole produce. In *Production and Distribution*, p. 353, I said myself that Ricardo seems to believe this. Mr. Robbins recently drew my attention to the passage, and suggested that it could not be substantiated. Of course, if Ricardo had always used terms in the sense in which he said he would, the " rise of rent " which he regards as normal in " the progress of society " would be a rise in the proportion of total produce taken by rent, but it is notorious that it did not, so that I could not use that argument.

Turning to the *Notes* for enlightenment, I find that, when Malthus (on his p. 177) founds an argument on returns recently made which showed that the proportion which agricultural rent bore to the whole agricultural produce had fallen, Ricardo questions neither the fact nor the argument, but says he agrees

(*Notes*, p. 78). Later on Malthus (his pp. 212-16) quotes the passage about proportions just given above and observes very pertinently :

" In applying this language to our own country we must say that rents have fallen considerably during the last forty years, because, though rents have greatly increased in exchangeable value—in the command of money, corn, labour, and manufactures—it appears by the returns to the Board of Agriculture that they are now only a fifth of the gross produce, whereas they were formerly a fourth or a third."

Ricardo in the *Notes* quotes these words in full, and evidently finds considerable difficulty in answering them. After writing and then deleting a whole paragraph of eighteen lines, he decides to attack first the sentence which precedes the passage just quoted, and in which Malthus had stupidly said of Ricardo's language not only that, when rent becomes a smaller proportion though a larger amount, it requires us to say not only that the "rents of the landlords have fallen," but also that the landlord's " interests have suffered." Under cover of defending his language from the unfounded accusation that it requires us to call a diminution of the proportion received by a class an injury to the interest of that class, he manages to run away from the perfectly just accusation that it requires us to call a diminution of the proportion received as rent a " fall of rent," even if the absolute amount of rent has risen.

Then he seems to be stimulated by Malthus's criticism to consider for the first time the substantial as distinguished from the verbal question. He asks himself definitely whether his own " rises " and " falls " of rent do coincide with rises and falls in the proportion of produce falling to rent. His answer comes to this : they coincide in regard to any particular farm, but not in regard to the whole country. He thinks of a farm from which 360 qrs. of corn are obtained, paying 90 qrs. rent ; then cultivation has to be extended to inferior land yielding only 340 qrs. to the same quantity of labour, and rent " on that particular farm would be a greater proportion of the gross produce than before, but it by no means follows " that the aggregate of rents in the whole country would be a larger proportion of the whole produce than before, since, " instead of one capital being employed to obtain 340 qrs., one hundred equal capitals may be so employed. It is possible then that the gross produce may be increased 34,000 qrs. and rent rise only 20 qrs."

This is a thoroughly bad answer, because it leaves out of account the probability that additional capital will be employed on " that particular farm," and the certainty that most of it will be em-

ployed on similar farms instead of all of it being employed on land newly taken into cultivation. Ricardo soon becomes uneasy, and tries (p. 99) to show that what he meant by the proportion going to the landlords was the proportion of the produce not of a particular farm, but of particular quantities of capital; the landlord might well get a diminished proportion of the whole produce of a particular farm although he was getting an increased proportion of the produce of each " quantity before obtained." But probably perceiving that this would not help, since everyone would and must understand by " the whole produce " the whole produce of the land, and not particular " quantities " of it, he promptly deletes the paragraph—twenty-one lines—and makes a third attempt, beginning apologetically now:

" It is very probable that my language about proportions may not have been so clear as it ought to have been. I will endeavour now to explain it."

Then he starts not with rent, but with wages, and says that when he speaks " of this division by proportions," he always, unless by inadvertence, applies it " to the produce obtained with the last capital employed on the land and for which no rent is paid." This suggests that he wishes to throw over the doctrine that rise and fall of rent is to be measured by the proportion of produce going to rent, and indeed, at first he went on to say plainly:

" Rent is not a proportion of the produce obtained—it is not governed like wages or profits by proportions—depending as it does on the difference between the quantity of produce obtained by two equal capitals. If therefore I have anywhere said that rent rises or falls in the proportion that the produce obtained is increased or diminished, I have committed an error. I am not conscious, however, of having so done."

As rent cannot well help being a proportion of the produce, and " government by proportions " is not very intelligible, and no one had accused Ricardo of saying that rent rose and fell exactly with the produce, it is difficult to know what to make of this, but the " therefore " rather suggests that what he really wanted to do was to disclaim having put forward any doctrine at all about the proportion of the produce falling to rent.

He was not satisfied with this paragraph and deleted it also. But his next attempt shows him still unwilling to commit himself. The paragraph which follows the deleted passage at first ignores the question of proportion altogether; falling back on his value theory, Ricardo says that the measure of rent is the quantity of

labour required to produce it. Then, picking out an unimportant and badly expressed detail from Malthus's criticism, he remarks that Malthus alleges that even according to him agricultural improvements eventually increase the landlords' proportion, and says:

"I do not know where I have said this, but I wish to correct the passage, if I have fallen into this error, by substituting the word used by Mr. Malthus, 'portion,' for *proportion*, or, if the word *proportion* be retained, it must be the proportion of the produce obtained on the more fertile lands."

The words "fallen into this error" are made the more significant by being inserted in substitution for the neutral "said so." It is not true, then, that Ricardo believed rent (whether as understood by the Board of Agriculture or as defined in his own chapter on Poor Rates, or as defined in his chapter on Rent) becomes a larger and larger proportion of the whole produce in the normal "progress of society." The truth rather seems to be that, in spite of the "hats, coats, and quarters of corn" example, the question never really occurred to him until he was challenged on it by Malthus, and that when that happened he recognised that his theory gave no answer to it. Further, we can see that he was not prepared to dispute the Board of Agriculture's statement that in the last forty years rent had become a smaller proportion of the agricultural produce (to say nothing of the "hats and coats" which had probably increased more than agricultural products). To believers in the vampire theory of rent he thus becomes a lost leader.

That he left the "hats, coats, and quarters of corn" passage unaltered, never noticing that according to it he was "incorrect" whenever he said rent rose without meaning that the proportion of the whole produce falling to rent increased, would be rather astonishing if we did not recollect that he discusses the "rent of mines" without apology immediately after the chapter in which he had held that there was no such thing; and that, in his chapter on Bounties on Exportation, he first forgets his own law of diminishing returns, and says a bounty on exported corn will not raise the home price, and then, remembering the law, says it will. His reputation for "logical precision" was gained in the limited field of currency, not in those of general economic theory or of taxation, in both of which his failures are much more remarkable than his successes. I cannot agree with Professor Hollander (p. cxi) in thinking it will be enhanced by the publication of the *Notes*. I welcome them rather as a contribution towards the dispelling of the Ricardo myth. EDWIN CANNAN.

Toryism and the People. 1832-46. By R. L. Hill. 1929. pp. 278. Constable. 10s. 6d.

Peel and the Conservative Party. 1832-41. By George Kitson Clark. 1929. pp. 515. Bell. 20s.

The persistence of Party in English history is positively amazing. Loyalty to Party began in the nursery, punched its way through the schools, and dug itself into the clubs. You may live to the honour of an institution—as your college, or even your country—and you may live in fulfilment of your faith. But to Party men owed an allegiance of double strength, as to something that was both a faith and an institution. After reading these two sympathetic studies of Toryism in the reign of William IV, one is left with grave doubts whether, in fact, it was either the one or the other. Mr. Kitson Clark shows us his hero labouring to preserve Toryism, as an institution, and, it would appear, treating Toryism, as a faith, as something subservient to that end. It is a curious institution. We are introduced to a squabbling gang of irresponsible, and often self-seeking, intriguers, the chronicle of whose activities reads, at times, like the more satirical pages of *Coningsby*. Mr. Hill discusses Toryism as a faith. He undoubtedly discovers among men calling themselves Tories some convictions pointing to a constructive policy, but they are, for the most part, highly individual, and certainly not the property, nor the inspiration, of a Party. When he deals with the institution, he is principally interested in a branch of it which Mr. Kitson Clark almost entirely ignores, the associations of various kinds in the constituencies, and his main theme is the growing lack of sympathy between the Toryism of the country and the Toryism of the political leaders.

Mr. Kitson Clark's book is depressing. The method of the illuminated chronicle is not very suitable when applied to a confused and unexciting period. He has chosen to begin his story after the drama of the Reform Bill was over and before the drama of the Corn Laws had fully unfolded itself. His figures do not move in the limelight, nor under a searchlight, but in the drab, unflattering daylight of a November afternoon. It is a light that has merits, for you can see without being dazzled. It is easy for historians, especially Whig historians, to exaggerate the immediate effects of the Reform Act. Mr. Kitson Clark supplies a corrective. The new electorate did not people the House of Commons with men of a new type. It could not even provide a stable government. For ten years it was anybody's game. It must be admitted that the instability of the Liberals was partly due to

the House of Lords, and the power of the House of Lords emerges as the principal constitutional issue of the period—an issue that was not decided. Peel's reputation, on the other hand, is not enhanced, for Peel showed his greatness as head of a department, not as leader of a Party.

Mr. Hill has two themes. He wishes to analyse the Tory spirit at large in England, and also to describe the attempts to organise it for political action. Toryism was rural, almost feudal. Consequently it was intensely local, and hated all centralisation, whether in the administration of the Poor Law or in the organisation of its own Party. The ideal of a social community should be realised locally; national unity was based on a balance of interests with the Landed Interest heading the list. Politicians were not delegates executing the will of a district, but free representatives, using their judgment for the good of their interest, and so, in concert, for the good of the nation. Reason was an unsound guide, that often erred and never admitted its error. Still more dangerous was its offspring, Political Economy. Popular education, therefore, was regarded with suspicion. Religion was a better means of moral enlightenment. Property, of course, was sacred.

Since the industrial proletariat was still a little-known minority, and the bulk of the working-class was itself also feudal-minded, these doctrines did not put the Tories out of sympathy with the masses. An extreme Tory might well hate machinery as heartily as a Luddite and denounce the factory owners with as much venom as a Chartist. Mr. Hill shows how, within the limits of this philosophy, there could evolve such different reforming types as Ashley and the Saints, Young England, and Tory Socialists like Richard Oastler. His account of the Conservative Associations and the Conservative Operative Societies which grew up after 1835, of their relation to "extra-Parliamentary political association" in general—a most important phenomenon in the history of democracy—and their conflict with the Carlton Club over Free Trade, is full of interest.

T. H. MARSHALL.

The Coal Industry of the Eighteenth Century. By T. S. ASHTON and J. SYKES. pp. 268. Manchester University Press. 1929. 14s.

The products of what may be called the Unwin School of Manchester University all have a distinctive quality. There is a directness of method, a soundness of technique, and a freedom from pretentiousness which enable the reader to see clearly exactly

what purpose each volume can serve, and to know that, for that purpose, it is absolutely reliable. It is a realistic school, intent on giving body to history, and it is an enemy of facile generalisation. This latest addition to the series is true to type. The authors have, on the whole, been successful in describing a territory, already partially explored, in such a way as to emphasise the points that are new without destroying the proportions of the picture. This alone is a considerable achievement. The new material has been obtained by an examination of the account books and papers of collieries and coal-owners in all the principal coalfields of England and Wales. Of the fruits of their labours they have given with a lavish hand, believing, as they tell us, that historians would be grateful for the facts and would forgive them for not attempting " a literary exercise." Historians will be grateful, and will have no fault to find with the literary quality of the work. What they may regret the lack of, is an attempt at an exercise in interpretation. The new facts for the most part confirm, rather than correct, previous impressions. This does not in the least diminish the value of the author's research, but it does increase the need for a more adventurous treatment, if the book is to leave the reader with a sense of satisfaction.

If this volume is less satisfying than the companion studies of cotton and iron, it is partly because the authors had a harder task. There is less unity in the coal industry than in the other two. Reading the rather rambling and inconclusive chapter on wages, one longs for a tabulated presentation of the results. But tabulation is wellnigh impossible, when some are piece rates and others time, some individual earnings, others group earnings, some payments for technical operations non-existent in other districts, and nearly all subject to a variety of deductions for fines, tools, materials, fuel, and rent. There was a similar diversity in technique and in the organisation of labour and management. The authors never shirk these difficulties. They never give us a fact without relating it to a geographical area. Consequently there is no worthless matter in the book, but the result is a rather scrappy picture.

Description must come first, but there is room afterwards for some more argumentative chapters on selected topics. Mr. Ashton showed more enterprise in this direction in his earlier book on iron and steel. So did Professor Turner, in his article on the English Coal Industry in the seventeenth and eighteenth centuries, in the American *Historical Review* for 1921, an article with which our authors appear to be unacquainted. There is one

question in particular which might have proved very fruitful. It is hinted at in the Introduction, but not further explored. There the authors point out that coal-mining was dominated by the Landed Interest, and that this fact influenced the character of its development. Starting with this observation, one could proceed to explore the part played by coal in the evolution of capitalism. Mining appears as a link between agriculture and industry, between the old feudalism of the Manor and the new feudalism of big business. We can watch, in its history, the flow of capitalistic control through the landlord, the merchant, the "manufacturer." There are many resemblances to agriculture. Mining was, we are told, owing to the difficulty of winter transport, a seasonal trade employing labour hired on a yearly bond. Because of the unalterable diversity of the natural conditions in which the work was done, mining technique, like farming technique, could not be revolutionised by an invention no advanced by the general application of a golden rule. The existence of the collective contract between the entrepreneur and a labour group, and possibly also of the guaranteed "subsistence" wage, may be evidence of a kind of "semi-capitalism," not yet dominated by the ideals of managerial despotism and unfettered competition characteristic of the early nineteenth century. There are some attractive puzzles here, and Messrs. Ashton and Sykes have provided material towards their solution. But it will be a pity if they leave the theorising to others who have not the same intimate familiarity with the facts to serve as a defence against blunders.

T. H. MARSHALL.

Victorian Working Women. By WANDA FRAIKEN NEFF. pp. 288. 1929. Allen and Unwin. 12s. 6d.

Mrs. Neff has written an interesting and attractive book. It might well have been more than this, if she had selected one of the three possible ways of utilising the material on which she had been working. But the book shows traces of them all, and is not wholeheartedly devoted to any. She might have used her Blue Books and other contemporary authorities to construct, scientifically, a picture of the life of working women, their hours, their wages, their ailments, their oppressions, and to explain the causes and effects of any changes visible during the period. It is true that the Reports on the Factories have been read through and written up again and again, but most writers have been thinking chiefly of the children, and a study that put the women

first, provided it were thorough, would be valuable. Of the industrial working woman outside the factory there is still a great deal that we should like to know. Mrs. Neff has followed this method in her first two chapters, but her work is not thorough enough, particularly with regard to wages, to make the reader feel that he is discovering anything new. For novelty she relies on her use of fiction. Hers is " An historical and literary study," and that is to distinguish it from the studies of her predecessors. But novels and Blue Books mix badly. It is not that Blue Books are true and novels false. The reverse may be the case. Both alike, when used as material for history, must be sifted and weighed. But there is a fundamental difference in the point of view. The historian, working on official reports, must eliminate all passion, prejudice, imagination, and self-interest. The novel, based in all probability on the same reports, owes its vitality to the instinctive selection of those very passages that the historian was obliged to reject, and to the representation of the exceptional as the typical. And yet the novelist too is proclaiming the truth. The Victorians, whom Mrs. Neff uses, wrote with a purpose. They wished to impress on the public mind a reality that the public mind ignored, the fact that a social scandal existed. It was enough that the things they described were possible. It did not matter whether they were usual. The novel might create the will to remove the scandal, but the Blue Book was necessary to discover the means. The truths are of a different order. Both may be made the basis of history, but to mingle them is like interrupting the clear outline of a map with water-colour sketches of the scenery.

The third theme is what Mrs. Neff would probably call " the emancipation of woman," and its relation to the general progress of civilisation. This is evidently in her mind throughout the book, but it has not sufficiently impressed itself on the argument. The core of it is here, clearly stated in the concluding chapter. The Industrial Revolution brought its horrors, and their revelation shocked the public mind. The searchlight of inquiry disclosed more ancient and less spectacular evils, and, as the field of reform widened, ideals and practice were both changed, and something new was added to our social system which we can, without undue self-satisfaction, describe as evidence of progress. The first aim was merely to purge the factory, but " the final result has been her emancipation." Here is an admirable theme. How did the movement come, not only to enlarge its scope, but to change its aim from protection to freedom? Mrs. Neff appears to have

arranged her selected types in a scale constructed to illustrate this change. We pass from the factory to the domestic industrial worker, from her to the dressmaker and governess, more closely in touch with the ladies of society, and finally to the idle woman herself. At one end is the woman who needed protection but not freedom, at the other end the woman who needed freedom but not protection. The dressmaker and the governess form the bridge, and the chapters that describe their lives are the most successful and the most fascinating in the book. We are told how the crucial step in the movement for emancipation, namely the provision of higher education for women, was taken by people who were chiefly anxious to raise the status of the governess. And yet the author's consciousness of the significance of this theme does not make itself obvious by her handling of the material in the body of the book. It is first clearly revealed in some brief and illuminating comments in the final chapter.

T. H. MARSHALL.

Great Britain from Adam Smith to the Present Day. An Economic and Social Survey. By PROFESSOR C. R. FAY. Longmans, Green and Co., Ltd. 1928. pp. 458. 12s. 6d.

Professor Fay has divided his economic and social survey of modern Britain into four parts, which are preceded by a suggestive study of Adam Smith and the *Wealth of Nations*. The four parts deal respectively with Fiscal Policy and Finance, Trade and Transport, Agriculture and Industry, Life and Labour, and in that sequence. Thus the book is framed on the teaching method outlined by Professor Fay some time ago in *History*. This arrangement of the subject-matter is unusual, and will probably meet with a good deal of criticism. At the outset it is puzzling. To open a historical analysis of the rise of industrialism with a longish survey of the fiscal and financial policy of Walpole, Pitt, Huskisson, Peel and Gladstone, to add to this a chapter—entitled "Towards a new Economic Policy"—on the directions of latter-day imperialism and social legislation, and another on the history of currency and banking, would seem to be putting consequences before causes. It may well be urged that fiscal and financial policy cannot be adequately described or fully grasped without a previous analysis of economic conditions and developments. Professor Fay's arrangement may seem to attach an undue, even a fictitious, importance to the expedients of Chancellors of the Exchequer and the activities of the State. A single chapter may seem too summary a treatment of banking history, especially in view of the

importance of financial institutions in our own day. Yet there are positive advantages in Professor Fay's lay-out of his material. Even new-comers to the study of economic history know something of the great ministers whose work is outlined in Part I of this stimulating book: the story proceeds, that is, from the known or partly known to the unknown. The reader leaves a familiar background with a sense of direction and an acquaintance with the general plan of the ground to be traversed. So complicated is the story of the growth of industrialism that this is a very real advantage. Professor Fay's readers will be interested in all the points of his story; they will see the relation of the parts one to another: and they will see that the story is a unity. Readers who know their Cunningham, Knowles, Usher and Clapham may be irritated by Fay's presentation: others will not.

The internal arrangement of the chapters in each Part is as striking as the sequence of the Parts themselves. Part III, for instance, has the following chapter-arrangement: Agriculture, Steam Power and the Engineers, The Age of Iron and Steel, The Textile Industries in Transition, The Industrial Revolution in Retrospect. In general this is a convincing, because broadly chronological and consequential, sequence of topics. Further, it enables the student to escape that unfortunate simplification of the story of the rise of industrialism which consists in depicting it in terms of cotton. Professor Fay's book, then, is a conspicuous example of the fact that a good text-book can only be written by an expert hand. It is a skilful book, not a compilation or a mere essay, and it has obviously issued from a prolonged and individual pondering over sources.

The general tone of Professor Fay's work may be indicated. He expresses his faith, "that the throbbing life of industrialism will win through to happiness and beauty." He writes with the intention of stressing the constructive aspects of the industrial revolution. He is a liberal imperialist. "If I have an economic ambition," he writes, "it is that by my writing I shall cause Canada and Great Britain to know each other more intimately." He gives illuminating comparisons between British and American experience. He is sympathetic towards the aspirations of the working-classes but not sentimental about them. He does not minimise the extent of working-class distress in the 'thirties and 'forties but he sagely points out that "we know most of those who fared worse"—which, after all, is as it should be. "In judging the shortcomings of the nineteenth century it is necessary to distinguish mistakes of avarice or kindness from those which were

due to inadequacy of technique." He refuses to take evidence from one source only or to attach undue weight to the word of authority. "In the first half of the nineteenth century political economy was anti-social. For the next thirty years at least it followed nervously in the wake of facts, reserving its eulogies for such expedients as promised to dispense with the trade union." Professor Fay's open-mindedness and the freshness of his outlook are illustrated by such sentences as these, and they constitute a good claim to the reader's loyalty.

An immense subject, or group of subjects, is deftly summarised in these pages. No other single volume gives so complete a picture of the period. Professor Knowles omitted the history of the labour movement, and gave but scanty attention to the effect of industrialism on the workers. Dr. Usher's book became fragmentary as it approached the nineteenth century. Yet these are the only works in any sense comparable with Professor Fay's. It is better proportioned and more complete. It has more information, particularly in the second half of the nineteenth century. It does something therefore towards filling a serious gap on the student's shelf of useful surveys of recent economic history. A good, but severe, test of the quality of this sort of book is to turn to it for light upon latter-day economic problems. Does Professor Fay offer a historical background, for instance, to the present distresses of the cotton trade, or does he show the nature of the baleful forces which seems to cast a blight upon the coal industry and those who try to set it right? The answer to this question is the major criticism of his book. Though Professor Fay gives more space to the second half of the nineteenth century, it is only a little more, and the little more, suggestive though it is, is not enough.

An outstanding virtue of Professor Fay's work is its freshness. His *Life and Labour in the Nineteenth Century* had that quality even though it seemed scrappy and somewhat inconsequential in manner. In *Great Britain from Adam Smith to the Present Day* there are signs of compression in every chapter, yet frequently a new collocation of facts or a fresh and incisive phrase casts a sudden and unexpected illumination upon familiar material. "Prices were smashed by Bolton versus Glasgow on the markets of Europe rather than by England versus France or Germany"—an explanation of distress among the weavers of the post-Waterloo period which has been commonly ignored.

A surprising weakness of Professor Fay's outline is his treatment of foreign trade. Part II on "Trade and Transport" has far more

to say of Transport than of Trade. Even the so-called " great depression " is not subjected to analysis. It may be that Professor Fay includes it among popular delusions unworthy of the historian's attention. Even so, contemporary opinion believed in its reality and the subsequent abandonment of dogmatic *laisser-faire* was thus made easier. A delusion may count for more than the truth ; thus the abatement of prosperity, or the depression of profits, became something of a waterslide in our economic life. But more than that omission is the absence of an analysis of the growth of our foreign trade in the nineteenth century, or, rather, its incidental treatment. It is hard to think of a general treatise on the economic history of industrialism as complete without such a chapter.

H. L. Beales.

Economic Control. By N. Skene Smith, B.Com. London : P. S. King. pp. xiv+306. 15s.

The Structure and Working of the Australian Tariff. By N. Skene Smith, B.Com. London : P. S. King. pp. 77. 2s. 6d.

The Economics of Australian Coal. By F. R. E. Mauldon, B.A., M.E.C. Melbourne : Melbourne University Press. pp. xvi+ 280. 10s. 6d.

Economic Control falls into two parts. The first 88 pages discuss the " true, though but recently recognised, branch of economic science," from which the book takes its title, and the rest of the book describes various aspects of Australian economic life.

The second and longer part is very good. Mr. Skene Smith knows Australia as few non-residents can know it. He has visited every state and he is well acquainted with official and other sources of information. Moreover, he has the ability to pack a large number of facts and figures into a small compass and yet remain interesting. Thus, although he deals with a wide range of topics—publicly owned industries, tariffs and bounties, wage regulation, assistance to primary production, and control of monopolies are only the chief main headings—his account has the vividness and life of a cinematograph news reel. Nor is he content merely to describe. Every now and then he pauses to deal a shrewd blow at some critic of Australian policy or to indicate directions in which " control " could be improved, for whilst his sympathies are with these efforts of a young country to shape her economic destiny and against those who have given us exaggerated stories of incompetence and waste, he always retains his critical spirit.

Thus the reader is presented with a picture of recent developments which he could have obtained nowhere else, plus a running commentary.

It may seem a little ungracious to complain that the connection between the two parts, the theory and the picture, is not very marked, yet that is the case. "Australia," we are told, "has been practising the art of economic control in various ways with undoubted success, and much can be learnt from a study of recent developments in that country." But Mr. Skene Smith knows his subject too well to suggest that the various experiments and policies which he describes form a coherent "system" or represent deliberate applications of the somewhat subtle reasoning to be found in his earlier pages. On the contrary, the Australian garden contains more weeds and wild flowers than carefully planted beds. The way in which the "Harvester judgment," based upon an admittedly hasty and inadequate enquiry, has dominated wage-fixing, is only a leading instance of the rather haphazard and "hand-to-mouth" character of most, though not all, Australian "experiments." Nor is it clear what lessons can be learnt which would apply to England to-day. The sub-title speaks of "Nationalisation" and "Safeguarding," but little is said about the former, whilst the differences between Australia and England are surely too great for conclusions drawn from the tariff policy of the former country to be applied to the latter.

In his theoretical part, Mr. Skene Smith moves with the spirit of the times. Yet the present reviewer feels that Mr. Laissez-Faire, the "would-be philosopher" (see Dr. Dalton's Preface), now dead and unlamented, was a rather misunderstood old gentleman. He is spoken of as though he lay abed all day, yet he was prepared to do quite a good deal, even in 1883, as a glance through the third book of Sedgwick's *Principles of Political Economy* will show. Young Mr. Economic Control is certainly bustling about, always trying to remove economic friction, but one suspects that he may become over-subtle (as when it is suggested that tariffs "increase the mobility of productive resources in the form of new material and machines," setting up some frictions to overcome greater ones), and that his agents cannot always be trusted to comprehend and carry out his dictates, rather than those of "political expediency."

Finally, one suggestion may be made. In his theoretical treatment Mr. Skene Smith appears to take the main *end* of economic control as the maximisation of national income per head, but in his descriptive part he sometimes seems to favour other ends. One gets the impression (perhaps from the photographs) that he

likes " to see the tall chimneys smoke," to see resources utilised, settlement promoted, the country developed, and so on. The difficulty is that national income per head may sometimes be maximised by leaving resources untouched and land undeveloped. The fascinating chapter on the sugar industry provides a possible test case. Briefly, this could not survive without an embargo on imported sugar. Mr. Skene Smith estimates the cost at " about a penny on every pound of sugar consumed," or over £3 million a year. There are only 7,000 actual growers; Mr. Skene Smith speaks of about 100,000 persons maintained in the sugar areas of Queensland and exerting " a powerful demand for the products of Australia," but he must be thinking of the 7,000 only when he says: " If Australia had no sugar industry it is unlikely that her production of other things would be noticeably greater than at present " (p. 138). £3 million a year is a heavy subsidy for the country as a whole to give to 7,000 growers. If the 100,000 figure is taken, it is difficult to believe that the production of other things would not be noticeably " greater " if these people were engaged in other occupations. In any case, it would appear that the national income per head would have been greater if the sugar industry had not been " controlled." One suspects that Mr. Skene Smith might admit this, but would contend that other ends which he mentions in this chapter—white settlement, development, making use of the land, stability of price, and so on—are more important. If this guess is right, it is to be regretted that in his theoretical treatment he did not make his position as to the *ends* of control more clear.

The Structure and Working of the Australian Tariff gives useful information in a convenient form. Something is said about Australian production and prices under each of the tariff divisions, and the general policy of Protection (for Australia) is defended.

Mr. Mauldon gives us a solid, but pleasantly written, analysis of the Australian coal industry. His first part deals with resources, technique, and organisation, and analyses the sources of demand. His second part shows why the industry is at present depressed. The chief problem, as in England, is " over-capacity." Various proposed remedies are considered in the third Part. He himself favours group amalgamations, the closing down of the worst pits, and " the squeezing out of some 5,000 mine-workers." Two points are interesting in connection with " economic control." Mr. Mauldon has been forced to recognise, although with some regret, that in this case " making the fullest use of available resources " has not proved the best aim, whilst the mine-workers

themselves do not advocate nationalisation. According to him (p. 253), " The fact is that, with the experience of nationalised railways before them, the miners in Australia can muster no enthusiasm for State ownership and management of the mines."

F. C. BENHAM.

Industrial Welfare in India. By P. S. LOKANATHAN, M.A., Madras. Methodist Publishing House, 1929.

This book, by the Reader in Indian Economics of the University of Madras, comes at a most opportune moment, in view of the recent appointment of a Royal Commission on Labour in India, and of the prevailing attitude in India towards industrialisation.

Mr. Lokanathan has written an accurate and competent account of the industrial welfare work carried on in India by the State, by employers, and by trade unions, and discusses in a well-balanced manner the outstanding principles and problems involved. He has a good grasp of developments in other countries as well as in India, which enables him to approach his subject from a broad, comparative point of view.

In dealing with industrial legislation Mr. Lokanathan stresses the inadequacy of the inspectorate, the desirability of bringing workshops within the scope of the Factory Acts, and the need to supplement the protection afforded children under the factory acts by improvements in the educational system. He makes an important point in discussing the type of inspector required, by pointing out that Factory Inspection is partly a police and partly a developmental function, and that although specially qualified expert inspectors are desirable for the latter, local (though unspecialised) officials have an advantage in performing the police function, because they can carry out more surprise visits, and thus better prevent evasions of the law. Nevertheless he upholds the view that women inspectors and special medical inspectors are urgently required.

The need for the regulation of fines and deductions, the extension of the scope of Workmen's Compensation, and for legislation with regard to Maternity Benefits, are also discussed. Mr. Lokanathan alludes to the defect that the power to initiate compensation proceedings lies solely with the workers, who are not in a position to exercise this power to the greatest advantage.

Mr. Lokanathan brings out clearly the extremely limited extent of voluntary welfare work in India. Although he does full justice to the efforts of particular firms, he stresses in particular the evils of the present system, or lack of system, of recruiting labour, and

notes the need for further inquiry into the causes of the high rate of absenteeism.

In dealing with the trade union movement the author sums up well the special difficulties confronting the organisation of Labour in India, and discusses the ephemeral nature of a large number of Indian trade unions, but acknowledges the very great potentialities of the movement. He condemns the readiness of Indian industrial workers to " embark on a strike without adequate reserve, and depend on public charity for the continuance of their strike," deplores the absence of effective machinery for collective bargaining, and wisely warns the workers of the dangers of blind obstruction to changes in methods of work introduced with the object of increasing the efficiency of production.

A few minor criticisms suggest themselves. A rather false impression of conditions in Indian mines is given by the inference that they are closely similar—for instance as regards the depth at which work is carried on—to English mines. It is unfortunate also that the statement should be made, without further discussion or further explanation, that " output actually increases when rates of wages are reduced." It is a mistake to quote Indian infant mortality statistics without a word of warning as to their extreme unreliability, and it is surely too sweeping to say, without qualification, that " in South India the Co-operative movement has not spread among the workers." Finally, it may be suggested that the assertion that the largest scope for State action lies in the sphere of social insurance, should have been accompanied by some discussion as to how this particular method of social amelioration could be suited to Indian conditions.

On the whole it may be said that Mr. Lokanathan has made a very useful contribution to a burning question of the day in India.

VERA ANSTEY.

Indigenous Banking in India. By L. C. JAIN, Ph.D. Macmillan and Co. Ltd. 1929. pp. xvii+274. 15s. net.

Mr. Jain has succeeded in removing to a considerable extent the veil that—as he says—has long obscured the working of indigenous banking in India. In this volume he presents a much-needed account of the functions and methods of Indian indigenous bankers and moneylenders, and discusses effectively the whole question of indebtedness in India, the relationship between indigenous and joint-stock banking, the defects of the indigenous system, and possible remedies. He has not only utilised the available printed matter, but has collected fresh material by means of

a questionnaire and personal inquiries, and thus succeeded in making a very useful contribution to the subject.

An attractive feature of the book is the excellent use made of diagrams and other illustrations, and the reproduction of copies and translations of promissory notes, hundis, and other documents utilised by indigenous bankers.

Mr. Jain concludes that the disappearance of indigenous bankers and moneylenders is neither practicable nor desirable, and that the great problem is to find some means of linking the indigenous to the Indian joint-stock banking system, through the development of an indigenous bill market, so as to mobilise the dormant capital resources of the country, and to enable the central banking policy to exercise effective control over the whole banking system of the country. He suggests that this can best be done by the voluntary combination, on joint-stock principles, of indigenous bankers and moneylenders, who can then pool their capital resources and form themselves into a sound system of indigenous joint-stock banking.

It is refreshing to find an Indian author who looks to the public rather than to the Government to provide the necessary stimulus for an important reform, but it must be acknowledged that the reorganisation visualised is bound to be a very slow process. However that may be, Mr. Jain has undoubtedly performed a very valuable service by formulating the problem with clarity and competence, and it is encouraging to note that the banking inquiry which he advocates is already under weigh in India.

VERA ANSTEY.

The Problem of Industrial Relations. By HENRY CLAY. Macmillan. pp. ix+322. 1929. 12s.

The Post-War Unemployment Problem. By HENRY CLAY. Macmillan. pp. 205. 1929. 8s. 6d.

In a few months Professor Clay has published two works of first-class importance. *The Problem of Industrial Relations* is a collection of essays, some of which were already familiar to all students of labour problems, though others, and among them the most important, had only been delivered as lectures in Manchester or London. *The Post-War Unemployment Problem*, on the other hand, is an entirely new work—an economic tract belonging to that successful genre reintroduced by Mr. Keynes, in which economic conclusions are stated in a form readily digestible by the student and not wholly impenetrable by the man of affairs.

The lectures which compose *Industrial Relations* are naturally

not consecutive reading, with the exception of the first four, which provide an excellent analytical history of the English " wage-system " from about 1900 to the present day. Nearly all the remainder, however, are concerned with problems arising in the determination of wages—both how wage-rates are determined, and the not less important question of what they determine.

Professor Clay traces the increased industrial unrest which followed the war to a maladjustment of wage-rates. Before the war, changes in demand and supply were gradual and changes in wages were extremely gradual, even, to an astonishing extent, in those wage-systems most disturbed by fluctuations. There consequently grew up a feeling that the relations between wages in different trades were "natural," and such changes as did take place were insufficient to make any serious difference to this contented attitude about relative position. But the war changes in wage-rates, partly due to extremely abnormal economic stresses, partly to altogether non-economic factors, broke down this " system " completely, and in the violent fluctuations of the three first years of peace some trades were strong enough to consolidate their gains, but others were not. In consequence, the post-war " system " is not felt to be reasonable or natural, and nearly all trades have some ground in their experience of the last twenty years for an endeavour to make a considerable improvement in their position.

This argument is followed out in considerable detail, and as a general analysis of the causes of post-war industrial unrest, it seems highly convincing. But it inevitably prompts a further question. Is this new " system," though unnatural from the point of view of the worker, economically justified or not ? In particular, is it a cause of unemployment ? To this, Professor Clay's answer seems somewhat uncertain. At one stage he is impressed by the inverse correlation between high wages and unemployment, and this leads him to trace unemployment to a maldistribution of labour between occupations, with the corollary that the post-war wage system is tending to cure itself by correcting maldistribution, however slowly. But later he comes to question the importance of the expanding trades, to observe the artificiality of their expansion, and to lay more stress on the difficulties created for the export industries by high wages elsewhere. More might have been made of the important fact that high-wage trades and expanding trades do not by any means closely correspond. Railways, for instance, are not expanding, and it is questionable if, in the long run at any rate, much further expansion in building is desirable.

It is impossible to resist the impression that Professor Clay's earlier optimism on this matter sprang largely from his over-estimation of the importance of bargaining strength (i.e. strength of organisation) in determining the degree of control over wage-rates which can be exercised by a trade union.[1] In some places he seems to consider that the extension of wage-control to the less organised industries has put everyone " on the level " again. But it is surely an elementary point that the influence of a monopolistic combination depends as much on market conditions as on its internal cohesion. All-round combination is very likely to result in a distribution thoroughly " skewed." It appears from his Presidential Address at the British Association this year that Professor Clay now appreciates this point. What a pity that that excellent analysis could not have been included in this book!

One essay, that on " Export Trades and Unemployment," points the way to the second book, and for its admirable analysis of the position in the cotton trade should be read in connection with it.

The Post-War Unemployment Problem would be a remarkable book, if only for its clear insistence that the root of the problem lies in the export industries themselves, and that the policy of " transfer," which in one form or another has so dominated party thinking in this matter for the last two years, cannot suffice as a solution, by whatever means of attraction or compulsion it is carried out. Professor Clay emphasises, what there has been too much tendency to forget, that unemployment is the result not only of a contraction in the exporting industries, but of an underlying weakness that has not been removed. After all, transfer has done a good deal already—it has reduced unemployment in engineering to (post-war) normality—but as long as there are numerous export firms still working at a loss, direct measures to reduce unemployment will only attack one end of the problem. As long as a large proportion of firms are failing to cover their costs, the main source of increased unemployment will be unstopped. Even if rationalisation (as has been often suggested) is likely to cause temporarily increased unemployment, it will make possible steady progress after that point.

But Professor Clay differs from most rationalisation enthusiasts, in that he does not imagine that the obstacle lies in the wilfulness or foolishness of industrialists. Capital is needed, and the particu-

[1] This over-estimation has a particularly disastrous effect in the lecture on " Wages Theory and the Minimum Wage," which also suffers from a theory of " sweating " that is surely untenable.

lar way in which industry has served capital in the past has been blocked up. It is here that the argument becomes most interesting. " The chief source and means of expansion, then as now, was the profits of existing businesses, placed to reserve or otherwise re-invested. The industrial North seldom came to the London capital market for new capital ; on the contrary, London was the channel through which the savings of the professional and rentier classes in this country were directed abroad." To-day reserves have been depleted by eight years of depression and by State-imposed burdens, while the machinery of access to the London capital market is in a very rudimentary state. The burdens on profits need to be lessened and access to savings improved. Professor Clay has various interesting suggestions to make for achieving these ends. And this, although perhaps the most important, is only one of the threads in a book of the highest value.

J. R. Hicks.

Annual Survey of English Law, 1928. London School of Economics and Political Science (University of London) Department of Law. London. pp. xv+301. 1929. 10s. 6d.

To say that this book fills a long-felt want is neither strictly accurate nor is it fair to its authors, for the want was not generally recognised until the appearance of this volume made it obvious. One of the major virtues of the *Annual Survey* is its originality, for we know of no other work similar to it. As the introduction points out, this is not a digest of legislation and case law—its aim is, by emphasising the more important legal events of the year, " to provide the reader with a general view of the growth of the law." It is obvious that such a survey, when done thoroughly by experts, must be of great value to the English legal scholar, for, as a rule, he can only cover his own field with any thoroughness and must rely upon such a work as the present to keep him up-to-date with the developments in other branches of the law. It will, however, prove of even greater value to the foreign, and especially to the American, reader, who, by consulting these 270 pages, can be certain that no important recent English statute, case, book, or article has escaped his notice.

The survey is divided into eleven sections as follows : Constitutional Law, Local Government and Administrative Law, Law of Persons and Family Law, Property and Conveyancing, Contract and Agency, Mercantile and Maritime Law, Industrial Law, Criminal Law, Evidence and Procedure, Conflict of Laws and Public International Law. It will be noticed that there is no

section dealing with fiscal matters such as the income tax. Whether it was wise not to include a summary of the leading cases on this branch of the law is doubtful in view of its great practical importance. Abhorrent as this subject is to most persons, it does furnish the largest proportion of cases in the *Law Reports*, and some of them are of more than technical interest.

It is interesting to compare the contents of the various sections. In only two of them is the part played by legislation of great importance. Fourteen pages are required to summarise the legislation on Local Government and Administrative Law, and twenty-five pages, most of which are concerned with the Companies Act, 1928, deal with Mercantile and Maritime legislation. The editor of the section on Property says that " there was a welcome lull in property legislation during 1928," but, on the other hand, the cases which he had to consider fill fifty-four pages. Mr. Parry is to be congratulated upon the admirable manner in which he has digested such a mass of material. As might be expected, the section on Public International Law is devoted almost entirely to the literature on the subject. Only two cases are referred to, one of these being from the Supreme Court of the Irish Free State. Although the Editor's criticism of this case is convincing, it is difficult to see why it is included in a survey of English law. Eleven pages are required to cover the books and articles published in one year on this branch of law—if we may call it a law—which is nearly double that required for any of the other subjects. Why are the students of International Law so unusually prolific? The section dealing with Evidence and Procedure can be compressed into eighteen pages, and that on Conflict of Laws is satisfied with eight. If an Annual Survey of American Law were to be published, these sections would be of major importance. The paucity of English literature on Administrative Law is shown by the fact that, of the three books mentioned, two are by American authors.

The Editors have not been content merely to choose and summarise the more important legal events of the year: they have also included valuable comments and criticisms. Professor Jenk's short reviews of the various books he mentions are admirable, and Professor Gutteridge has made his case notes of peculiar value by his learned comments.

It would, of course, be possible for the reviewer to suggest certain omitted books and cases which he considers important, but, after all, that is a matter of personal opinion. It may be said, however, that such a list would be a very short one. He also disagrees with the

analysis of one or two cases. It seems strange to find *Re Schnapper* in the section on Family Law, when it really belongs in that on Conflict of Laws. In his comment on *Rex* v. *Editor of "The New Statesman"* (which is omitted in the Table of Cases), the editor suggests that a "widely held" opinion is that "if a judge has no cause to fear criticism, his critics can do him no harm, and they need not be punished." This seems an odd view. Professor Laski's criticism of the procedure in such cases, which "confounds in the same tribunal the discordant characters of party, accuser and judge," is more cogent.

The format of the book is excellent. It is well printed, and is singularly free from errors of proof. Some of the sections, however, use square brackets in giving the dates of the *Law Reports*, while others use round ones. Consistency here is desirable. Finally a word of praise must be reserved for the index, which is accurate and complete.

A. L. GOODHART.

The English Craft Gilds: Studies in their Progress and Decline. By STELLA KRAMER. Humphrey Milford; Oxford University Press. pp. xi+228. 1928. 23s.

The scope of this survey, although less wide than the title might suggest, is, nevertheless, extensive; Miss Kramer, whose first publication on the subject of gild organisation[1] appeared in 1905, has now become a leading authority in a difficult field of study. Few could hope to mobilise the diligent effort which has swept into the net of research such a vast spoil from antiquarian literature and manuscript. Indeed, if one must indicate a fault, it is that the mass of detail actually embodied in the heavily documented text tends somewhat to obscure the argument. The same defect has lessened the value to students of Unwin's great and classic work on *Industrial Organisation in the Sixteenth and Seventeenth Centuries*, a book with which the present study inevitably challenges comparison. Like Unwin, Miss Kramer is concerned to describe the working of the forces promoting disharmony and disintegration within the gild system; but, whereas her predecessor in this field took note of the hard shell of the craft organisation, only to look beyond it at the moving flesh within, which everywhere was adapting itself to change and finally cracked the enclosing walls, the present writer concentrates her attention upon the structure itself. Why, she asks, do we find in nearly every town a

[1] *The English Craft Gilds and the Government:* Columbia University Studies in History, Economics and Public Law, vol. xxiii.

tendency among the individual crafts to seek amalgamation with others? What, in spite of manifest disagreement and often of bitter animosity, made drapers and tailors come together, oatmeal-bakers and piemen kiss one another?

That the combination of separate but complementary crafts was not an exceptional incident in the fifteenth and sixteenth centuries is clearly shown by the great array of instances here given. Miss Kramer goes farther, and says that the pressure of events frequently forced two or more unlike and unrelated mysteries into a curious attempt at amalgamation, such as that extraordinarily diversified unity at Lancaster (p. 18), where barber-surgeons sought and found association with a group of plumbers, glaziers, saddlers, whitesmiths and cutlers. Generally speaking, even in towns where amalgamation had proceeded far and the resulting autonomous units were few, a broad division is distinguishable between handicraftsmen and traders. That is to say, combination was more easily effected horizontally than vertically. Clothworkers would find happier bed-fellows in tilers than in drapers. In some places, however, even this economic law was overridden, while two boroughs, Faversham and Wallingford (p. 94), reverted to gild-merchant conditions when in the seventeenth century all the groups came together in one great merger.

Miss Kramer sees discord exhibited principally between gild and gild, not between classes within the gild. Unwin, it will be recalled, strove to show in the rise of certain new companies in the sixteenth and early seventeenth centuries the result of conflict between the big trading capitalist and the less wealthy craftsman working within the same organisation. Miss Kramer agrees that commerce and craftsmanship were frequently at odds, but the reason she gives for this enmity is not that one tried to dominate the other, but that each group, separately organised as it was (and here the most notable disagreement with Unwin occurs), was tempted in the natural course of business expansion to trespass on the other's province: the successful party tried to oust, rather than to enslave, the other. It may have been partly for self-protection that the handicrafts combined with one another, often following the rival example of the "amalgamated company of mercers and ordinary merchants, more or less comprehensive in character," which "became a practically universal institution in the English boroughs . . . by the middle of the sixteenth or the beginning of the seventeenth century." Not that one should suppose this fundamental divergence to have been responsible

for all or even the greater number of the gild amalgamations. There were other forces at work capable of making the most desperate enemies enter into uneasy partnership.

Most compelling among the arguments for combination, albeit " inconsistent with the principles of a system which was adopted and ordered primarily to enforce a rigid division of labour," was (1) that provoked by the need to resist the encroachments of " foreign " workers and stall-keepers, whether squatting within the walls or camping outside them. The municipality would often step in to urge the creation of a united front against this growing threat to the freemen's monopoly. Other reasons might be: (2) combination among the weak to resist the encroachments of a powerful rival (e.g. the amalgamation of the London pursers and glovers in 1498 in face of the leathersellers' overweening might); (3) similarly, a decaying trade would admit closely associated workers to its privileged ranks either to avoid utter extinction or to preserve the ability to acquit itself in a dignified fashion on Corpus Christi day; (4) we find many cases of unity " and amity " being enforced in institutional form by the town for the sake of the public peace, after a period of intolerable bickering; (5) the makers of an end-product might combine in a vertical series with those who wrought their half-finished materials, bargaining away liberty to buy freely elsewhere for a reduction in price; (6) or, alternatively, the early-stage craftsmen would reason that although combination with the end-producers might, and probably would, lead to infringements by the latter of their own cherished monopoly, even so this was preferable to the continuance of a state of affairs in which all complaints concerning the badness of the marketed commodity were maliciously answered by the working shopkeepers with hints at the lack of skill and honesty among the craftsmen who supplied them with half-worked materials—deficiencies which argued, of course, nothing less than a conspiracy to cheat the public.

The aim, then, of these amalgamations was to find an approximate mean between two extremes. On the one hand subdivision had often gone too far, and what for practical purposes was a single trade had been broken up into mutually exclusive groups. " It was merely a question of time when men who baked white bread would bake black bread too, and those who baked bread of corn, bake it of barley as well " (p. 136). Again, " If Chester's brewers . . . had carried out such provisions of their charter as gave them the monopoly of brewing beer and ale, ruin might indeed have overtaken the three hundred or more innkeepers and

victuallers, who, according to their allegation, ' had used brewing tyme out of mynde ' " (p. 129). On the other hand, there were those who could see little virtue in the gild system. Was not freedom to trade an Englishman's birthright? It was gradually realised that the common law would refuse to help corporations whose exclusive privileges, *however acquired*, were held to act in restraint of trade. From the time of James I, judges were even challenging the famous Statute of Artificers (the " 5 Eliz." so well beloved of gild wardens) and giving decisions admittedly antagonistic to both its letter and its spirit. " Instituted primarily to exclude outsiders, almost from the start the system had somewhere to make room for them."

But there was at least a provisional alternative, and that was that a craft should pool its privileges and powers with a local relative and so quicken their joint powers of resistance to the stranger within the gate. It is a pity that Miss Kramer has not been able to give a clearer picture of life within these composite gilds. We are left rather vague as to the frequency of the complete extension of its craft monopoly by one merging group to its partner or partners.

The last of the studies printed in this book is entitled " The End of the English Craft Gilds," and is by no means the least interesting. In the main it bears out the conclusions of previous writers upon this most melancholy chapter of institutional history, while emphasising particularly the dislocating effects of some of the tendencies noted above. Not only was the amalgamation of diverse mysteries often associated with the slackening of apprenticeship regulations and the surveillance of workshops (how could a scratch crew of goldsmiths, shearmen, braziers and fishmongers preserve a proper *esprit de corps* !) but the extension within the larger boroughs in the seventeenth century of a tacit permission to a freeman to adopt any trade, whatever his company, enabled enterprising business men to defy local gild laws without coming into conflict with the municipality. I am inclined to believe, nevertheless, that Miss Kramer, in selecting the early decades of the seventeenth century as the critical period in gild history, antedates the real decline. Manifold instances of the breach of fellowship rules could surely be brought together at any period; and recorded prosecutions can often be interpreted equally well as indications of the revival of spirit within a craft or as signs of impending demoralisation. Twenty-two pages of bibliographical matter offer a valuable survey of works on local history and printed records.

A. V. Judges.

The British in Tropical Africa. By IFOR B. EVANS, Cambridge University Press. pp. 396. 1929. 12s. 6d.

The Mandates System in Relation to Africa and the Pacific Islands. By E. VAN MAANEN-HELMER. P. S. King. pp. 331. 1929. 15s.

Perhaps it is impossible to write a good book on the colonisation of Africa. The story is such a patchwork of small incidents that it is difficult to survey the continent, or even Tropical Africa, as a whole, and trace the sequence of development that certainly exists. Authors have attempted to classify their material in various ways, and have either made confusion worse confounded or taken refuge in a purely superficial enumeration of events. The latter is the course taken by Mr. Ifor Evans in his attempt "to meet the more immediate needs of Colonial Service Probationers." This aim is perhaps sufficient to justify the arbitrary isolation of a group of colonies alike only in their having fallen to the share of the same European Power. But is the aim achieved? Now that the tenets of imperialism are beginning to be shaken, the orthodox may rejoice in the appearance of a volume in which they are undefended because unquestioned; and if history is still to be regarded as the enumeration of battles, this is a comprehensive and readable history. But of what? Of some competitive game in which the native appears as a sort of natural hazard, and the object is as well recognised and as irrational as that of the golfer. Certain actions on the one side call forth obligatory retorts on the other. Kosoko went "so far as to declare that he did not want the friendship of England. Force was the only possible reply to so truculent an attitude."

Why, why? the intelligent probationer will be driven to ask; and what about the reasons for Kosoko's truculence? For an answer to questions of the second type he will seek in vain; with the first he may happen to connect an *obiter dictum* on the career of Lobengula: "A fine, but primitive and barbarous native State organisation stood between the white man and the realisation of his economic ambitions. The tragic but inevitable *dénouement* is apparent from the very start." There is the colonial gospel according to Mr. Evans.

Mrs. van Maanen-Helmer has produced the first serious study in English of the mandates system as applied to Africa and the Pacific. Like all books based only on documents, it sometimes produces a slight impression of unreality, particularly where the author ventures to introduce comments into her narrative. But it is a very useful analysis and summary of the documents, particularly in the later chapters commenting on the actual working

of the Mandates Commission, as illustrated from its reports. As the years go by the documents of the Commission become too numerous for anyone newly approaching the subject to cope with them, and to such students this book will be extremely valuable.

LUCY P. MAIR.

Making the Fascist State. By H. W. SCHNEIDER. Oxford University Press. pp. xi+385. 1928. 21s. net.

This is the first comprehensive account of the rise, the present organisation and aspirations, of the Fascist State in Italy. The plan of the work is soundly conceived, for it is divided into a history, and analysis of ideas and institutions, and an appendix of selections from the literature and documents of Fascism. Without minimising the value of all that goes before, we may say at once, that the selections from documents are particularly valuable since they make accessible in English a verbatim record of the most significant aspects of Fascist thought. Further, there is an excellent biography; but although we are warned that it is not comprehensive it ought not to have omitted the Annual Survey published by the International Centre of Fascist Studies.

The author answers fairly clearly the main questions which students and politicians are asking, but it would be unfair to the author if we were to say that the book is written with composed lucidity. The material is thrown out, pell-mell, like coals from a sack. There is not sufficient philosophic control, and the style is jarring. Thus there is more in the work than is allowed to appear through the tangled web of words and the ugly slang. Especially bad is this feature in the first part of the book which records the tendencies before and during the war leading to the rise of the Fascist Party. It is all very confusing. We do not, however, wish this to be taken as a reason why the book should not be read: simply, it is very good; it could have been better.

Now we do not propose to give a concise rendering of the making of the Fascist State, but only to indicate the questions which have been well answered and those which still need attention. Mr. Schneider has very properly emphasised the specific economic motive which lent energy to the Fascist movement: the large and rapidly increasing population and the poverty of a small territory. Hence, partly, the fierce flame of nationalism and imperialism. Mussolini argues expansion; and others argue the submission of the individual and vocational syndicates to national economic and moral commands. In proportion as a country is poor and wishes to be

rich it must act as a team, and the associative impulses assume precedence over the atomistic.

The philosophical origins of nationalism, imperialism, and syndicalism, and the theoretical disintegration of liberalism and international socialism, are amply if not always perspicuously treated. This is indeed a very important part of the discussion and one comes away from it with an adequate explanation of why the Nation and the Syndicate on a vocational basis have come to take the place of Political Parties and free and equal Voters.

Has the author, however, sufficiently stressed the extent to which the democratic theory was misunderstood in pre-Fascist Italy, and the extent to which democratic political activity was made impossible by the traditions and character of the people and the statesmen? We think not; and it is an important omission. For the Fascists themselves have battled against a theory which has never been accepted by any country in the world. In the abstract terms in which they themselves postulate it,—the pure democratic theory. In England, France, and Germany, in the British Dominions, even in the U.S.A., the civil services and experts, the conventions of political tolerance and the maintenance of the "public thing," the self-respect and self-control of political parties, have produced democratic institutions and theories markedly different from their early formulation. They can be worked, because there is a proper sense of political activity and restraint. How far does that lie in the character of the people? How far did it, and how far does it, lie in the character of the Italian people? How far is Fascism itself based upon an impracticable ideology, the resultant of an attack upon an earlier ideology, which had in practice been given up? These are vital questions: but Mr. Schneider gives no answer to them, nor even a good clue. Finally, he makes no attempt to give a compact and balanced statement of the division of the population of Italy according as they are or are not Fascists. He might, for example, have attempted to define who are ardently convinced Fascists, who are constrained by the threat of force, but normally indifferent, and who are irreconcilable, and have estimated their respective numbers. And though there clearly emerges the figure and personality of Mussolini, the attempt to reveal the kind of genius which is his contribution to Fascism is insufficient.

Professor Merriam, President of the National Social Science Research Council, and the Council, are to be congratulated for

having given Mr. Schneider the Fellowship which enabled him to make this study after direct observation. They chose a good man, and he has written a good book.

HERMAN FINER.

Yearbook of Agricultural Co-operation in the British Empire. Edited by the HORACE PLUNKETT FOUNDATION. Routledge. 1929. pp. vi+476. 10s. 6d.

This is a useful compilation for those interested in the development of Agricultural Co-operation in many countries. It provides a bibliography of recent books upon co-operative effort in agriculture; it surveys recent legislation and briefly summarises the trend of events in the countries within the British Commonwealth. A statistical survey of organisations is also provided for this group of countries. In dealing with new books and legislation the yearbook is international in its survey, and it might be suggested that if it is feasible the title should be "The Yearbook of Agricultural Co-operation," and that the survey should include countries such as the United States, France, Germany, Denmark and so on, which have so notable a record in this field of activity. The difficulty at present is that the countries specially dealt with represent too small a part of the international co-operative movement in agriculture. This yearbook so developed would be of considerable service to students of co-operation, and the Horace Plunkett Foundation would earn their thanks if it could enlarge the scope of the work in this direction.

R. B. F.

Agricultural Co-operation in the Soviet Union. By G. RATNER. Edited by the HORACE PLUNKETT FOUNDATION. Routledge. pp. xii+90. 1929. 3s.

This pamphlet contains a description of the activities and growth of the Agricultural Co-operatives in the U.S.S.R. since 1921. It is not a detailed analysis of the movement, nor is it critical in outlook, but an account is given of the actual work done. Written by a member of the Russian Board of the Union of Agricultural Co-operative Unions, it was published in Germany in October, 1928, and in this country in March, 1929, the translation being by Miss Digby of the Horace Plunkett Foundation. On the figures given in this report, a notable expansion has taken place in the ordinary forms of co-operative business, both of supply and of sales: the purchasing union and the commodity

selling agencies have all been able to fit themselves into the new economic policy, and have benefited by the difficulties of merchanting and foreign trading under the present regime. Reference is made to the legal position of Co-operation in Russia, to the financial standing of the Societies, and to the present organisation of foreign trade.

This is a useful piece of work since it makes available in English the finest printed account of the present position of agricultural co-operation in Russia.

R. B. FORRESTER

Books and Pamphlets Received

(Books marked * are among those reviewed in this number; for a complete list of Book Reviews in this number, see page ii of cover.)

E. R. ADAIR: *The Exterritoriality of Ambassadors in the Sixteenth and Seventeenth Centuries.* Longmans, 21s.

G. C. ALLEN: *The Industrial Development of Birmingham and the Black Country* 1860-1927. George Allen, 25s.

P. S. NOEL BAKER: *The Present Juridical Status of the British Dominions in International Law.* Longmans, Green, 21s.

H. E. BATSON: *Practical Economics.* Routledge, 6d.

EDWARD BATTEN: *Nationalism, Politics and Economics.* P. S. King, 7s. 6d.

THOMAS BEACH and D. H. SMITH: *Business Economics.* Routledge, 3s. 6d.

J. W. BEWS: *The World's Grasses.* Longmans, 21s.

JOHN P. BIBBY: *Unemployment, An analysis and suggested solution.* P. S. King, 5s.

JOHN P. BLACK: *Agricultural Reform in the United States.* McGraw Hill, 20s.

J. B. BRIGDEN and others. *The Australian Tariff. An Economic Enquiry.* Melbourne University Press, 3s. 6d.

EDWIN CANNAN. *A Review of Economic Theory.* P. S. King, 16s.

*GEORGE KITSON CLARK: *Peel and the Conservative Party.* Bell, 20s.

*H. CLAY: *The Post-War Unemployment Problem.* Macmillan, 8s. 6d.

J. CORLETT: *A Survey of the Financial Aspects of Elementary Education.* P. S. King, 10s. 6d.

W. L. CRUM: *Corporate Earning Power.* Stanford University Press, $5.

N. B. DEARLE. *An Economic Chronicle of the Great War for Great Britain and Ireland* 1914-9. Oxford University Press (for Carnegie Endowment), 15s.

ERNST DICK: *The Problem of Interest and its Relation to Currency and Debt.* Williams and Norgate, 18s.

HERBERT B. DORAN: *The Changing Character and Extent of Municipal Ownership in the Electric Light and Power Industry.* Chicago: Institute for Research in Land Economics and Public Utilities, $1.50.

PAUL EINZIG: *International Gold Movements.* Macmillan, 6s.

IMRE FERENCZI: *International Migrations.* Vol. I. Statistics. National Bureau of Economic Research.

IRVING FISHER. *The Money Illusion.* George Allen, 7s. 6d.

P. SARGANT FLORENCE: *The Statistical Method in Economics and Political Science.* Kegan Paul, 21s.

LELLO GANGEMI: *Il Problema della Durata del-Lavoro.* Florence: Vallechi, 25 lire.

GEORGES GLIKSMAN: *L'Aspect Economique de la Question Juive en Pologne.* Paris: Rieder.

BENVENUTO GRIZIOTTI : *Principii di Politica Piritto e Scienza Delle Finanze.* Padua : Milani Bros., 35 lire (cloth, 40 lire).

ELIE HALEVY : *A History of the English People. Epilogue.* Vol. I. 1895-1905. Benn, 25s.

L. W. HALL : *An Approach to Definite Forecasting.* University of Pennsylvania and Oxford University Press, 12s. 6d.

*RICHARD HILL : *Toryism and the People.* Constable, 10s. 6d.

*L. C. JAIN. *Indigenous Banking in India.* Macmillan, 15s.

H. W. JORDAN : *The New Company Law.* Jordan and Sons, 4s.

F. F. G. KLEINWACHTER. *Self-Determination for Austria.* G. Allen, 3s. 6d.

JAN ST. LEWINSKI. *Money, Credit and Prices.* P. S. King, 7s. 6d.

*P. S. LOKANATHAN. *Industrial Welfare in India.* University of Madras.

P. W. MARTIN. *Unemployment and Purchasing Power.* P. S. King, 4s. 6d. cloth, 3s. 6d. paper.

*F. R. E. MAULDON. *The Economics of Australian Coal.* Macmillan and Melbourne University Press, 10s. 6d.

MCNAIR and LAUTERPACHT. *Annual Digest of Public International Law Cases.* Longmans, Green, 35s.

*WANDA F. NEFF. *Victorian Working Women.* Allen and Unwin, 12s. 6d.

J. P. NIYOGI. *The Evolution of the Indian Income Tax.* P. S. King, 12s. 6d.

G. H. MILES. *The Will to Work.* Routledge, 6d.

A. C. PIGOU. *The Function of Economic Analysis. Barnett House Papers No.* 12. Oxford University Press, 1s.

DR. TH. PLAUT : *Deutsche Handelspolitik.* Leipzig and Berlin : B. G. Trübner, 10 r.m.

G. RENARD. *Life and Work in Prehistoric Times.* Kegan Paul, 12s. 6d.

DR. W. RÖPKE. *Finanzwissenschaft.* Spaeth and Linde, 7.50 r.m.

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School Notes

Staff

The following appointments have been made to take effect as from 1st August, 1929 :

Mrs. Vera Anstey, B.Sc. (Econ.) (London)—to be Lecturer in Commerce ;

Mr. S. H. Beaver, B.A. (London)—to be Assistant in Geography ;

The following appointment has been made to take effect as from 1st January, 1930 :

Mr. C. Manning, B.C.L., B.A. (Oxford)—to be Sir Ernest Cassel Professor of International Relations.

Studentships

School of Economics Research Studentships for postgraduate work have been awarded as follows :

A Studentship, on the Ratan Tata Foundation, of the value of £200, for one year with a possible extension to two years, to David Graham Hutton.

Two Studentships of the value of £200 a year tenable for two years to William Maurice Allen, and O. P. N. Berkelbach van der Sprenkel.

A Studentship for Women of the value of £150 a year for two years to Monica Glory Page.

The Metcalfe Studentship for Women, awarded by the University and tenable at the School, of the value of £100 for one year, has been awarded to Florence Kerman.

Higher Degrees

Higher Doctorates have been conferred as follows :

The Degree of D.Sc. (Economics) upon Stephen Henry Roberts, following upon the publication of his thesis on French Colonial Policy, 1870-1925, and the Degree of LL.D. upon Frank Alfred Enever, for a thesis entitled, " The History of the Law of Distress."

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